

European policy context for sustainable agriculture

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What is the European Union?

27 Member States

490 million people

15 million farmers

183 million ha UAA



OVERVIEW: Comparison EU-15/ EU-12 in 2007

EU-15

EU-12

145 million ha of UAA
6,2 million workers
(3,7% of total workforce)
5 operators per 100 ha of UAA

37 million ha of UAA
6,32 million workers
(9,3% of total workforce)
6,25 operators per 100 ha of UAA

1:63
(farmer/consumer)

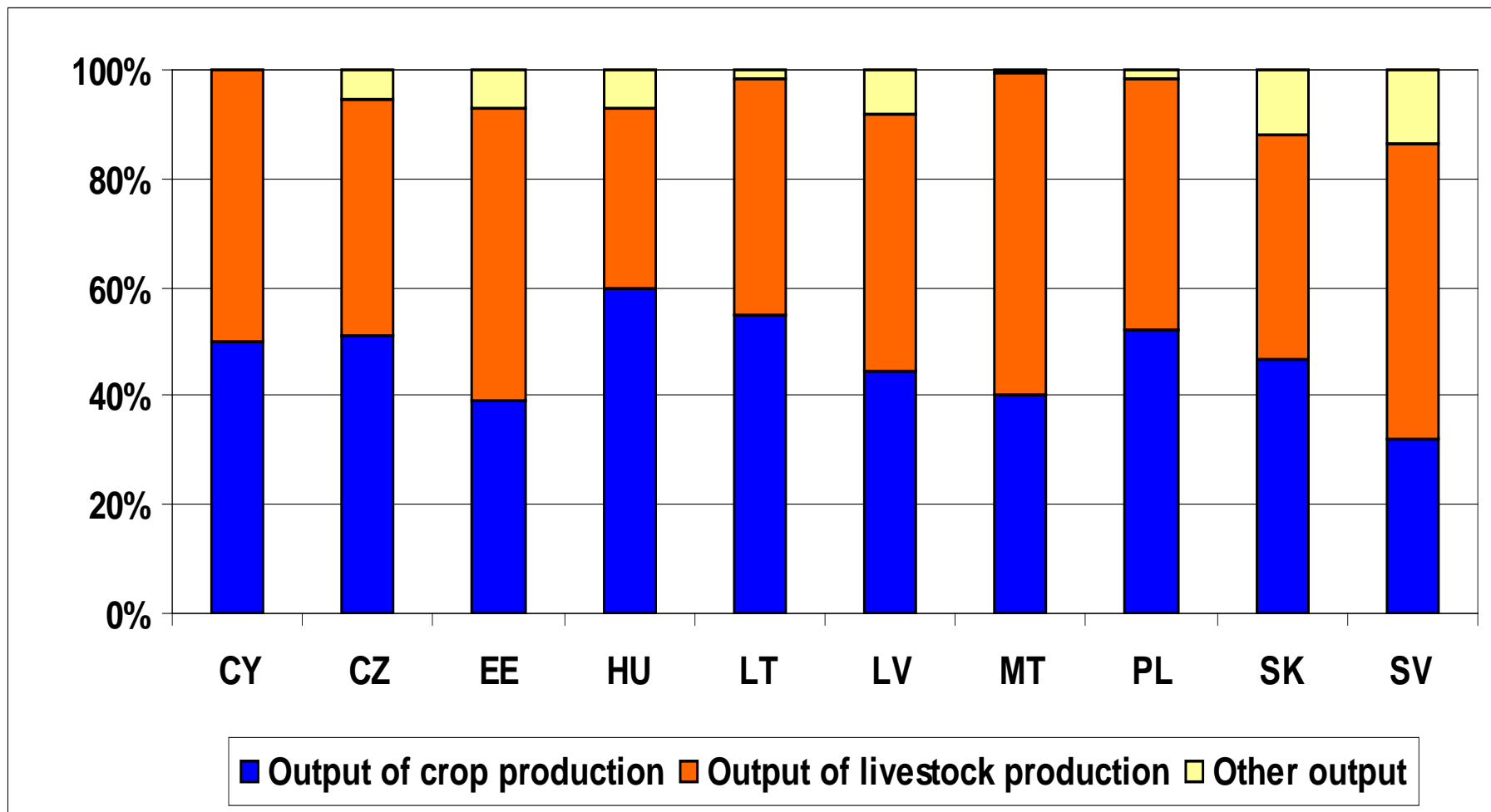
1:16
(farmer/consumer)

Consumer: 390 million
Per capita GDP: 26 300 €
Household income spent on food: 15%

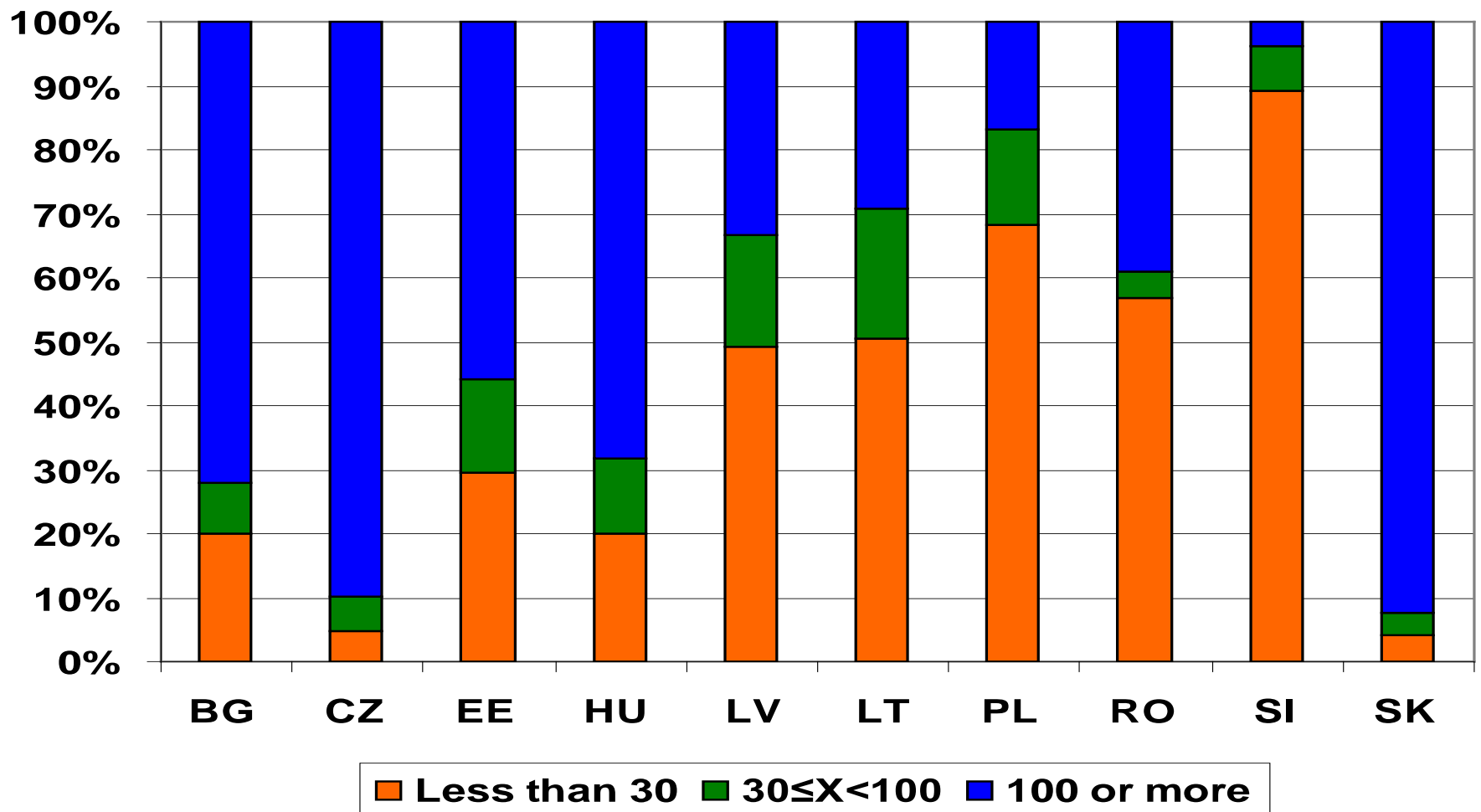
Consumer: 100 million
Per capita GDP: 15 100 €
Household income spent on food: 24%

INTENSIFICATION

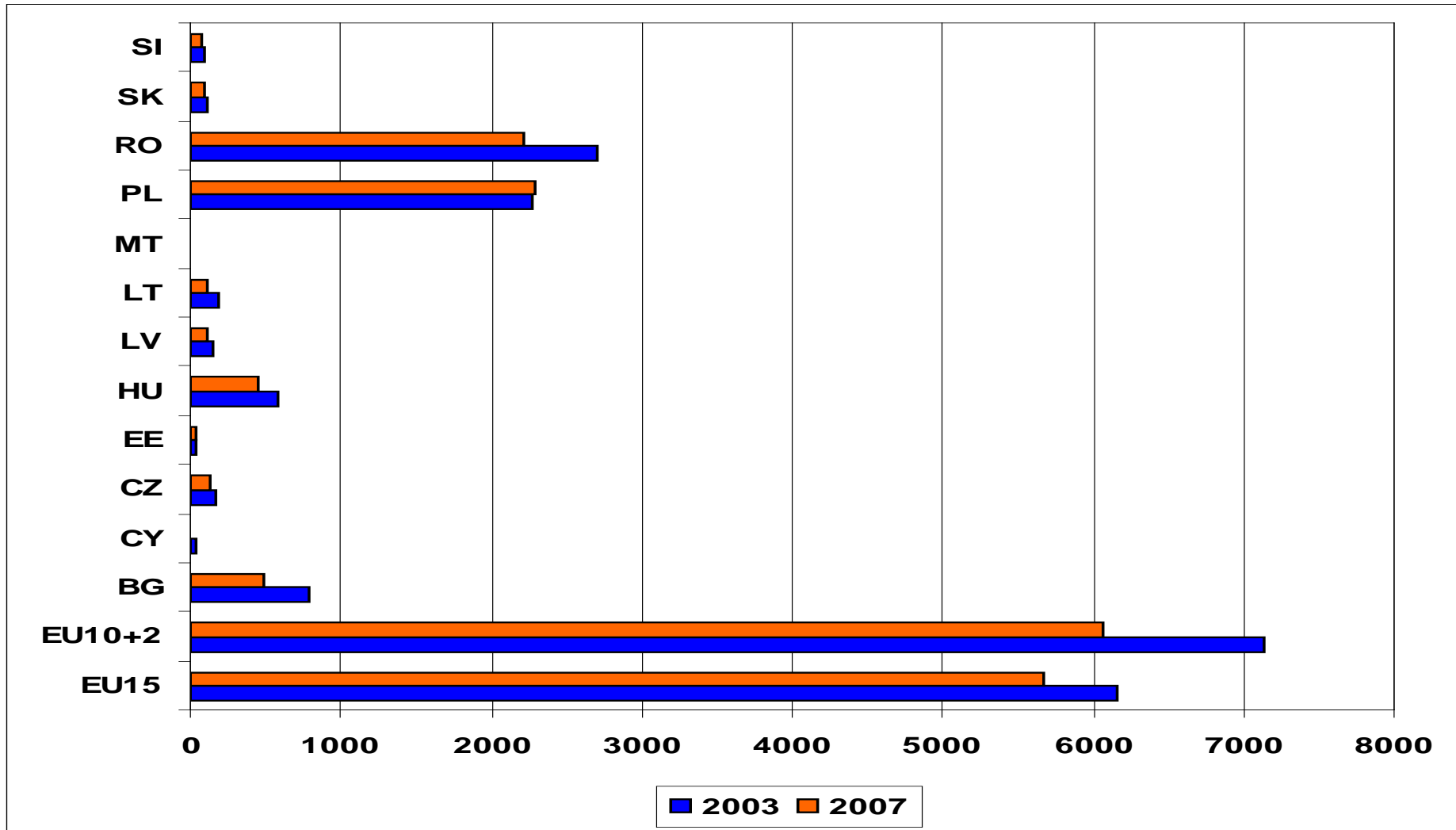
Rate of crop, livestock and other output in total output, 2006 (%)



FARM SIZES UAA by sizes (ha) in 2007



LABOUR FORCE: Agricultural labour in 1000 annual work units (absolute numbers)



CONCLUSIONS

- Overall positive impact
- Diversity due to
 - Initial conditions
 - Pre-accession policies
 - Post-accession policies
- ☐ Farming structure: consolidated structures have an advantage
- ☐ Small farmers are handicapped
- ☐ Limited potentials to withhold competitive pressures
- ☐ One fits to all?

Factors aggravating the development of agricultural production

Liberalizing conditions of competition, transformation of EU

WTO agreement

- There is a hope to continue frozen WTO discussions
- In case of WTO agreement
 - **Cessation of export subsidies**
 - **Cutting back customs**
 - **Reduce subsidies (radical limitation of forms related to production)**

Continuous modification and half-time revision of CAP

- Total separation of subsidies from production
- Reforming of market provisions for cereals, beef and milk sectors (quotas, intervention and compulsory fallow may be ceased)

Revision of agricultural budget (2009)

- The agricultural budget might be reduced substantially after 2013
- Regrouping for the second pillar
- Relapsing of forms within the second pillars, related directly to production

Estimated return of agrarian research (%)

1953 - 1997

Regions	Average rate of return(%)
Black Africa	34
Asia	50
South America	43
Middle East/ North Africa	36
Developing countries	43
Developed countries	46
Total:	44

The food security problem: challenges

❑ Population growth – ‘food’ demand

- 1.2% a year (70-80 million people a year)

❑ Income growth – ‘feed’ demand

- Asian economic growth 5-6% a year
- Means more meat & dairy consumption



Economic growth

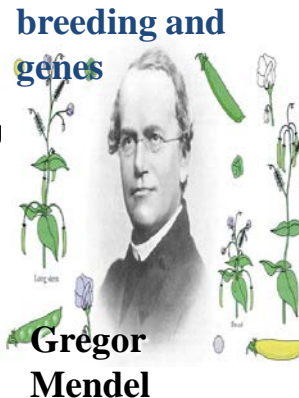
❑ Biofuels expansion – ‘industrial’ demand

❑ Land availability

- Potential in Ukraine, Russia, Latin America
- Global warming ‘bonuses’?

❑ Technology uptake

- Need another ‘green revolution’
- Will GM be it?
- Incentives for change?



❑ Climate change

❑ Speculation

- Important to market liquidity
- But can add to price volatility

Europe's ban on GMO: it is unnatural... but food is not produced for the environment!

You've got mail on gmo!



Positive proof of global warming.



Water use

water 'bubble' is unsustainable and fragile:

6.7 billion people has to share the same quantity as the 300 million global inhabitants of Roman times

Use	Liters of water
Drinking water	2-5 liters per person per day
Household use	20-500 liters per person per day
Wheat	500-4,000 liters per kilo
Meat	5,000-15,000 liters per kilo
Biofuel	1,000-3,500 liters per liter
Cotton t-shirt	2,000-3,000 liters
Agriculture	3,000 liters per person per day 1 liter per calorie

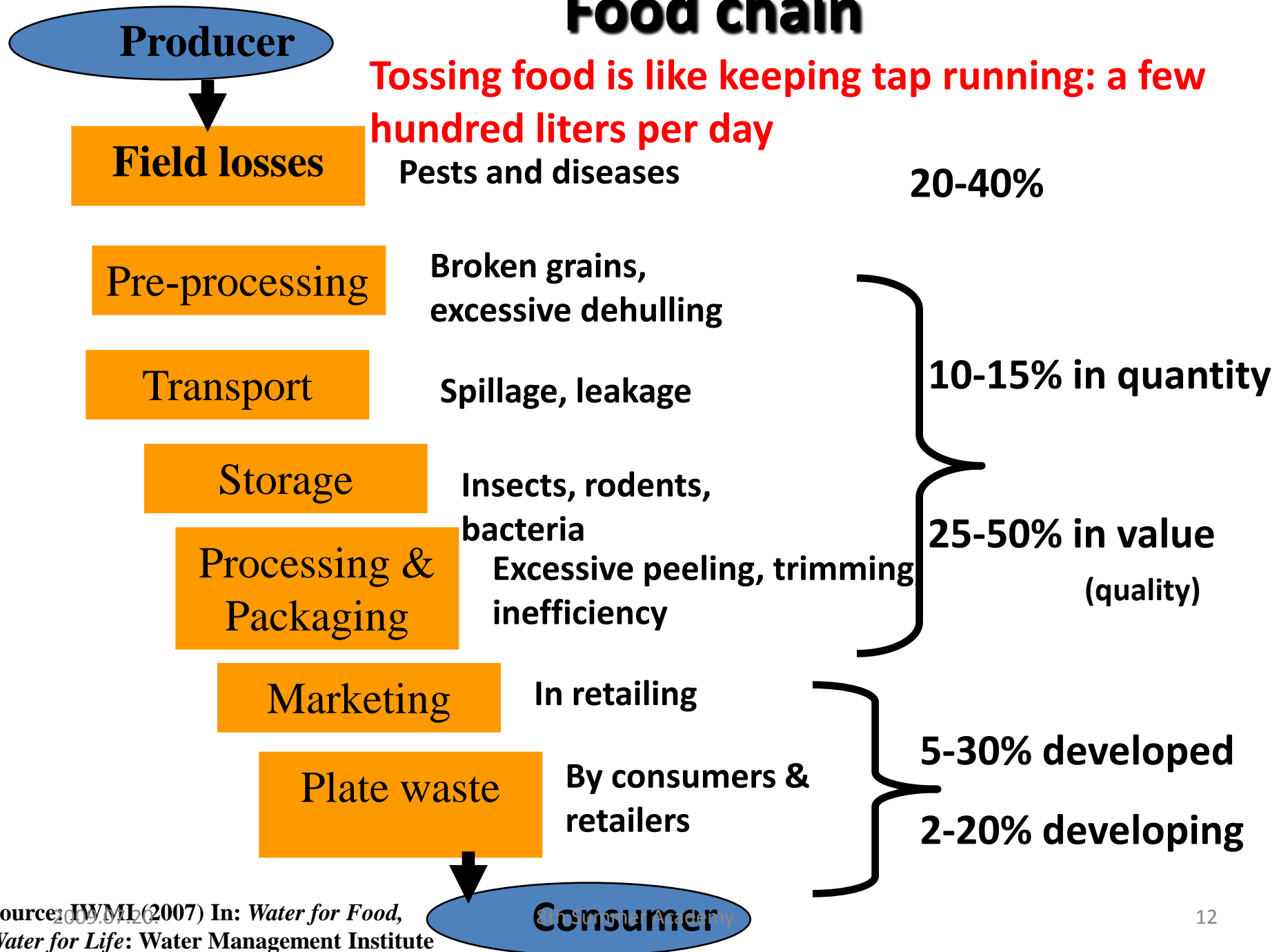


Globally food crops evaporate 7,100 km³ per year, that is: 7,100,000,000,000,000 liters

- About 78% of water for food comes directly from rain
- Increasing part is met by irrigation
- Total irrigation water 2650 km³ (70-80% of total),
i.e. about 1100 liters per person per day diverted

Food chain

Tossing food is like keeping tap running: a few hundred liters per day



Responses & challenges

❑ Increase productivity

Physical water productivity – more crop per drop

Economic water productivity – more value per drop

❑ Invest in rainfed agriculture and irrigation to improve productivity

❑ Water productivity improvement

Technically feasible, but farmers optimize land productivity rather than returns to water particularly where water is subsidized

What are adequate incentives?

❑ Promote food trade from water rich highly productive areas to water scarce areas

❑ Reduce losses in the food chain



More pressure on global markets and local ecosystems to supply food needs

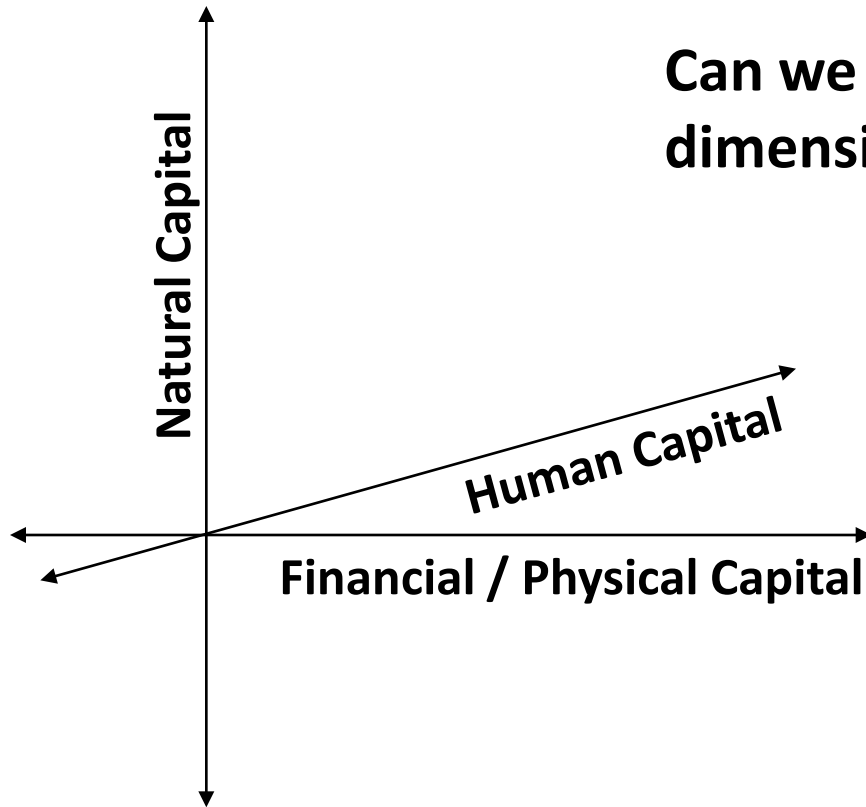
❑ **The global food system will become even more globalized (with its risks) and trade-offs between food provision and ecosystem quality will emerge**

- Continue to rely on key producing regions and also on key crop and animal varieties to meet our needs
- Need more reliance on productivity growth, but land will inevitably expand with trade-offs to ecosystem quality
- Has implications for biodiversity and the environment
- We need more cooperation (relax trade barrier) and innovation (technology sharing)



The Economics of Ecosystems and Biodiversity: navigation challenge ahead

Can we navigate a complex, three-dimensional, economic space ...



... with a simple economic compass
?

Agriculture must

- ☐ Increase yield and quality of products (food, fiber)
- ☐ Restore and maintain the environment
- ☐ Produce affordable food including the needs of the poor and under nourished
- ☐ Produce renewable energy and more bio-based materials



What is the CAP for?

☐ Supporting farmers income?

- but mostly funding the rich...

☐ Improving the environment?

- most harmful farming systems often get highest payments, while sustainable systems are underfunded

☐ Guaranteeing “food security”, safety and quality?

- How exactly? If you don't influence production, you just don't

☐ Compensating for meeting EU standards?

- But many sectors have to comply with high standards and receive no money...

☐ CAP is...?

- “little more than an instrument for Ministers of Agriculture to get for their farmers in Brussels and in the name of Europe what they would not get at their national Cabinet tables.”

Ralf Gustav Dahrendorf, former European Commissioner (1970-1974)

The CAP – fit for new opportunities?

- *The CAP today*
 - A radically reformed policy
 - A better performing policy
 - But also a policy with room for improvement
- *The role of the Health Check Communication*
 - Group together a series of review clauses of the 2003 CAP reform...
 - Identify relevant policy questions
 - Provide general orientation for eventual adjustments
- *The three policy questions of the CAP “Health Check”*
 - How to simplify the Single Payment Scheme?
 - How to improve market orientation?
 - How to respond to new challenges?

Assessing the CAP today

- **A radically reformed policy**
 - Support mainly decoupled, and subject to cross-compliance
 - Role of intervention significantly reduced
 - Strengthening of Rural Development with funds and policy instruments
- **A better performing policy**
 - Market imbalances and public stocks more of a (rare) exception
 - Competitiveness improved and agricultural trade role transformed
- **Further improvements to be addressed in the “Health Check”**
 - Make the Single Payment Scheme more effective, efficient and simple
 - Adapt market instruments to meet new market opportunities
 - Better respond to new challenges (climate change, biofuels, water scarcity)
 - Improve response to existing challenges (biodiversity)

Conclusions

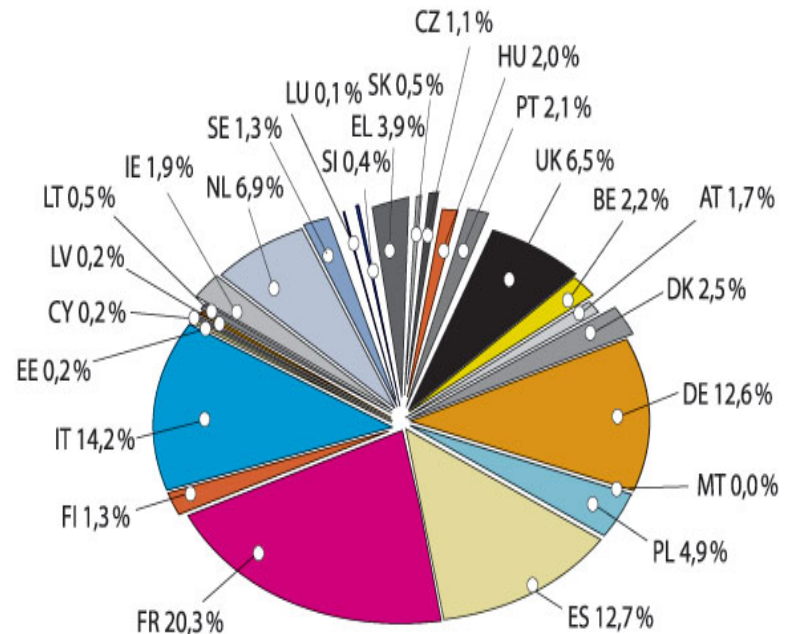
- ❑ **Food security will remain top priority**
- ❑ **Water supplies are under stress: we will run out of water long before we are running out of oil**
Better water management, improved technologies to increase the efficiency of water use and new investments by governments and the business sector
- ❑ **Land availability is limited so global cooperation and innovation is key**
- ❑ **Energy security: biofuel production is critically dependent on policies in the consuming countries (low blending rates)**
- ❑ **Potential for biofuel trade can only be given by increased demand, but rules for sustainable biofuel production need also to be clarified**
Specific incentives must stimulate advanced technology both for feedstock and biofuel production
- ❑ **More pressure on global markets and local ecosystems to supply food needs**
- ❑ **Focus on delivery of public goods**

Common Agricultural Policy (CAP)

EU agriculture

- Agriculture and forests cover 157 million hectares or 37 % and 177 million hectares or 42 % of the land area of the EU respectively (data from Eurostat, 2005);
- Plays a key role in determining the health of rural economies as well as the rural landscape;
- Europe's agricultural policy is determined at EU level by the governments of MS and operated by the MS.

SHARE (%) IN EU AGRICULTURE (2005)



Share of MS in EU agriculture

CAP is aimed at:

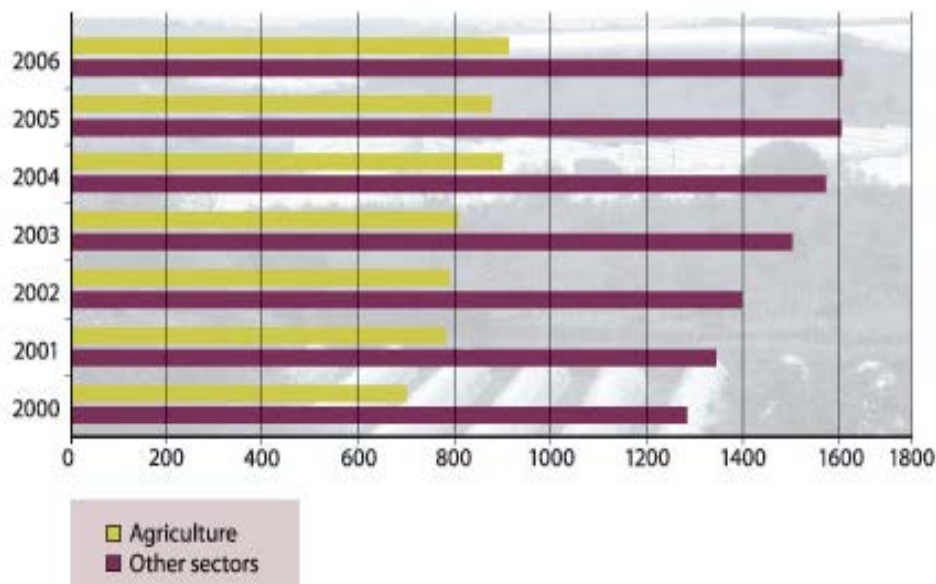
- Food supply and food security;
- Supporting farmers' incomes;
- Encouraging farmers to produce high quality products demanded by the market;
- Encouraging farmers to seek new development opportunities, such as renewable environmentally friendly energy sources.



Role of the farmer

- Agriculture involves much more than the production of crops and animals for food consumption;
- Complexity of farmers' profession requires farmers to play many roles;
- Farming is way of life.

DEVELOPMENT OF AVERAGE GROSS MONTHLY WAGES IN THE ECONOMY AND GROSS MONTHLY AGRICULTURAL INCOME IN AGRICULTURE – EU 27



Legal basis of CAP

- **Treaty establishing the European Community** (consolidated version) – Title II, art. 32 to 38;
- **Financial framework:**
 - *Interinstitutional Agreement and financial framework (2007-13);*
 - *Council Regulation (EC) No [1290/2005](#) of 21 June 2005 on the financing of the common agricultural policy et al.;*
- **Rural Development** (Council Decision of 20 February 2006 on Community strategic guidelines for rural development (programming period 2007 to 2013 et al.);
- **Direct Support Schemes** (Council Regulation (EC) No [1782/2003](#) of 29 September 2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers et al.);
- **Structural actions** (Council Regulation (EC) No [1083/2006](#) of 11 July 2006 et al.).

History of CAP

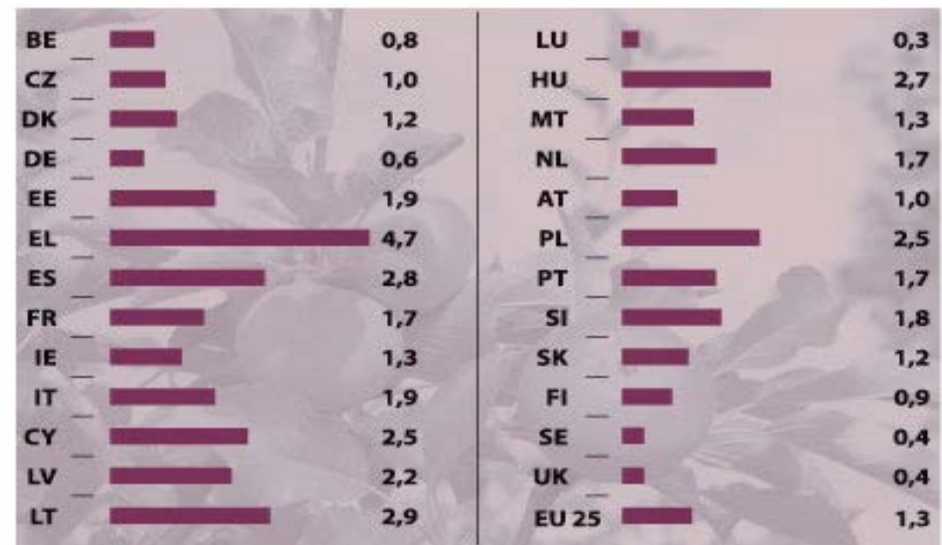
- Food shortage after WW II;
- CAP has its roots in 1950s western Europe;
- Emphasis of the early CAP was on encouraging better agricultural productivity;
- CAP offered subsidies and systems guaranteeing high prices to farmers;
- CAP was very successful in moving the EU towards self-sufficiency from the 1980s onwards;
- PROBLEMS \Rightarrow permanent surpluses + increased concern about the environmental sustainability of farming;
- CAP had to change.



CAP reforms

- Important changes in 1980s and 1990s (reducing surpluses - milk quotas, environmentally sound farming, market oriented reforms – MacSharry);
- “Agenda 2000” reform – directed towards competitiveness of European agriculture, major boost for rural development policy + a ceiling put on the budget;
- “Health check” followed in 2003.

AGRICULTURE'S SHARE (%)
OF GROSS DOMESTIC PRODUCT (GDP) (2005)



“Health check”

- The ministers of the MS agreed the following:
 - *Phasing out milk quotas (expire in 2015, ‘soft landing’);*
 - *Decoupling of support (payments no longer linked to production);*
 - *Assistance to sectors with special problems (‘Article 68’ measures);*
 - *Extending SAPS (until 2013);*
 - *Additional funding for EU-12 farmers;*
 - *Using currently unspent money;*

“Health check” - continuation

- *Shifting money from direct aid to Rural Development;*
- *Investment aid for young farmers;*
- *Abolition of set-aside;*
- *Cross Compliance (environmental, animal welfare and food quality standards);*
- *Intervention mechanisms (farmers responding to market signals);*
- *Other measures (small support schemes).*

Scope of “Health Check”

- Group together a series of review clauses of the 2003 CAP reform;
- Propose adjustments that do not constitute a fundamental reform;
- Fine-tune the 2003 reform during the 2009-2012 period;
- Contribute to the discussion on future priorities in the field of agriculture;
- Reinforcing the role of multifunctional model of agriculture.



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Assessment of CAP

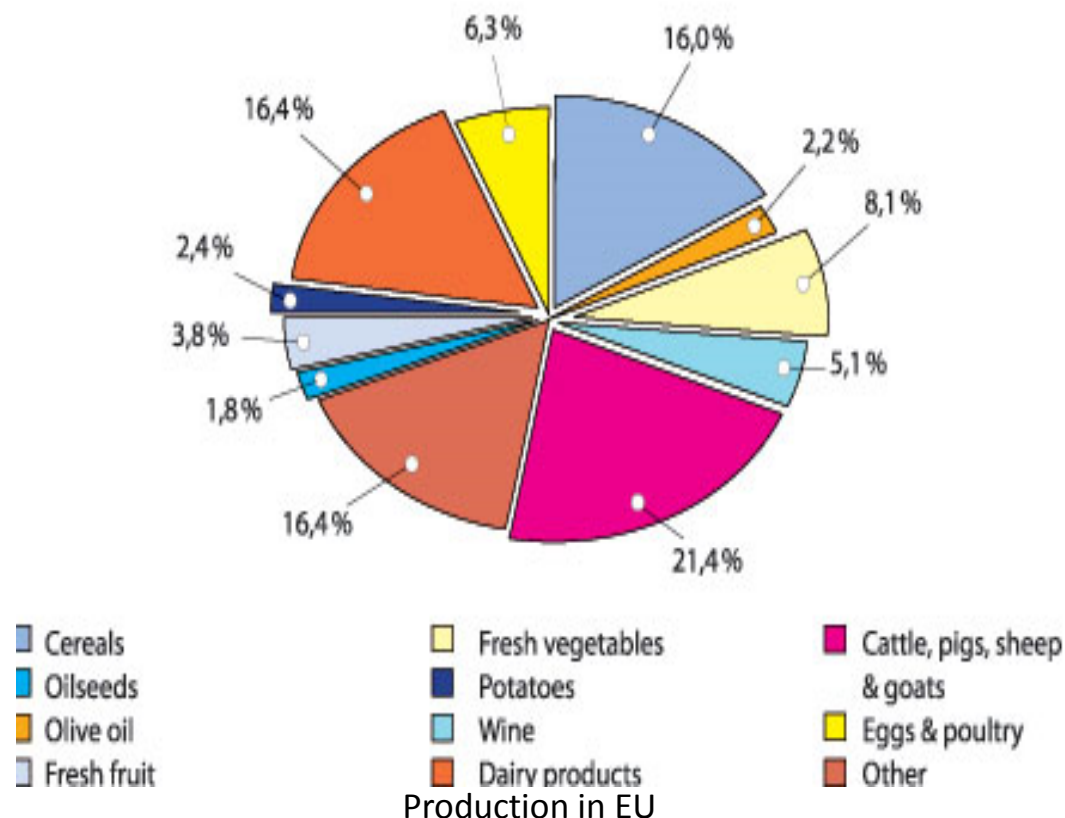
today

- A radically reformed policy:
 - *Support mainly decoupled, and subject to cross-compliance;*
 - *Role of intervention mechanisms significantly reduced;*
 - *Strengthening of Rural Development with funds and policy instruments;*
- A better performing policy:
 - *Market imbalances and public stocks more of a (rare) exception;*
 - *Competitiveness improved and agricultural trade role transformed;*
 - *Better value for money with improved transfer efficiency;*
- Further improvements to be addressed in the "Health Check":
 - *Make the Single Payment Scheme more effective, efficient and simple;*
 - *Adapt market instruments to meet new market opportunities;*
 - *Better respond to new challenges (climate change, biofuels, water scarcity);*
 - *Improve response to existing challenges (biodiversity).*

Impacts of CAP

- Europe can produce nearly all agricultural products. For several products Europe is considered as the world leader, for example in olive oil, meats, wines, whisky and other spirits.

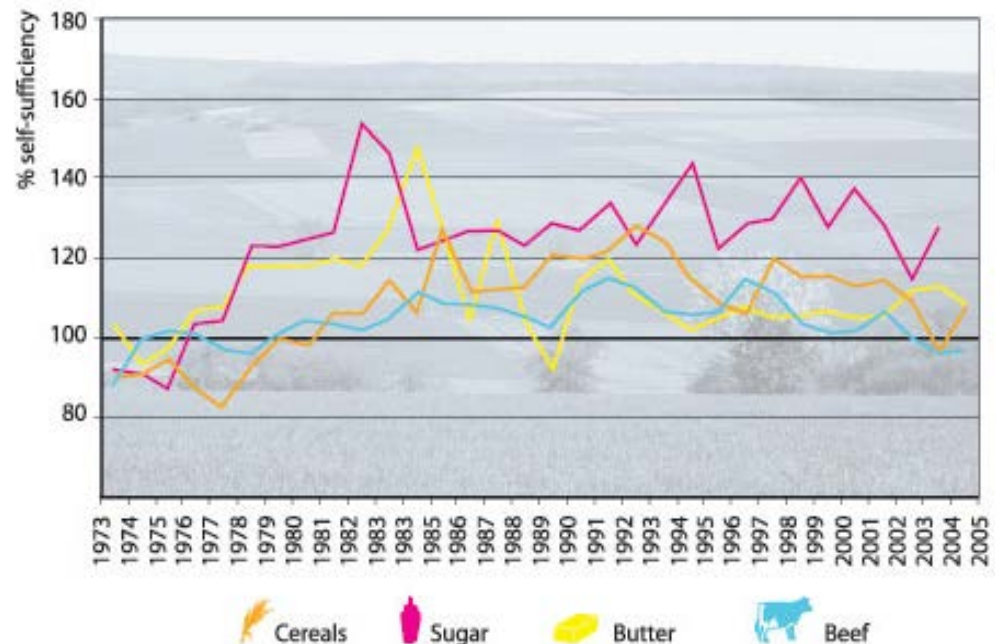
MAIN EU AGRICULTURAL PRODUCTS
(% share of production by value – 2005)



Self Sufficiency

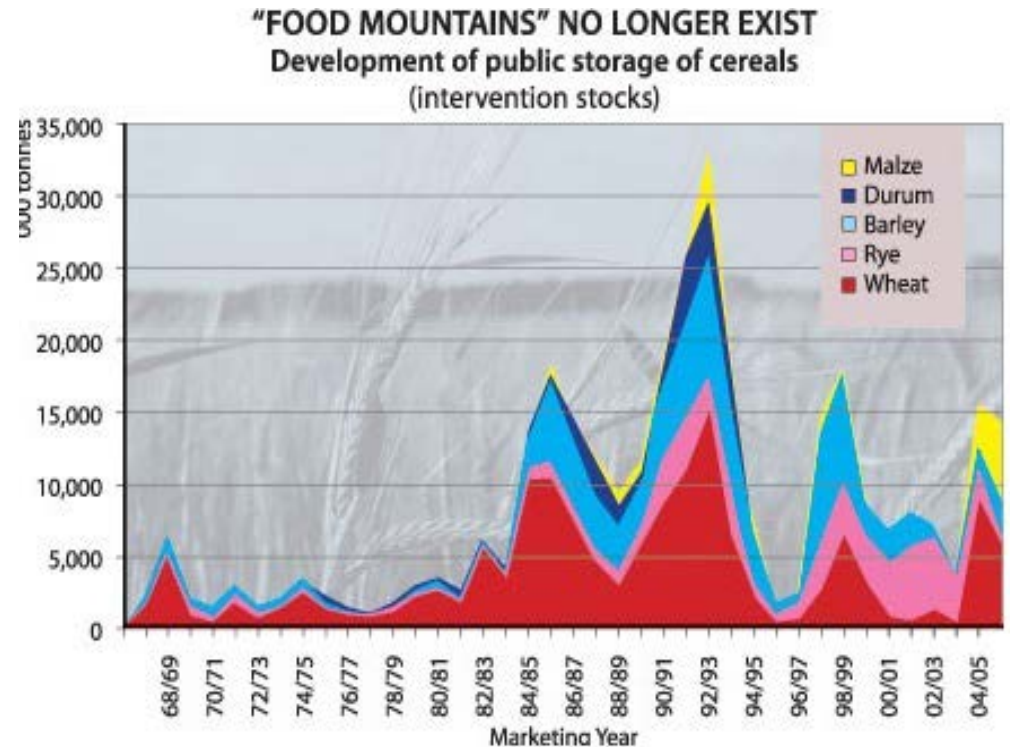
- Natural advantages, together with the CAP's benefits, led to rapid productivity improvements, higher production, food security for most products and ultimately, to surpluses of many farm goods;
- Surpluses were taken off the market by subsidising product storage (the public intervention system) or by exporting products, with subsidies, to third countries to avoid a collapse of farmgate prices.

DEVELOPMENT OF SELF-SUFFICIENCY FOR CEREALS, SUGAR, BUTTER AND BEEF IN THE EU



Limiting production

- During the 1980s and 1990s the EU brought in policy measures to try to limit production of surplus products;
- CAP reforms implemented in the 1990s reduced the usage of export subsidies.



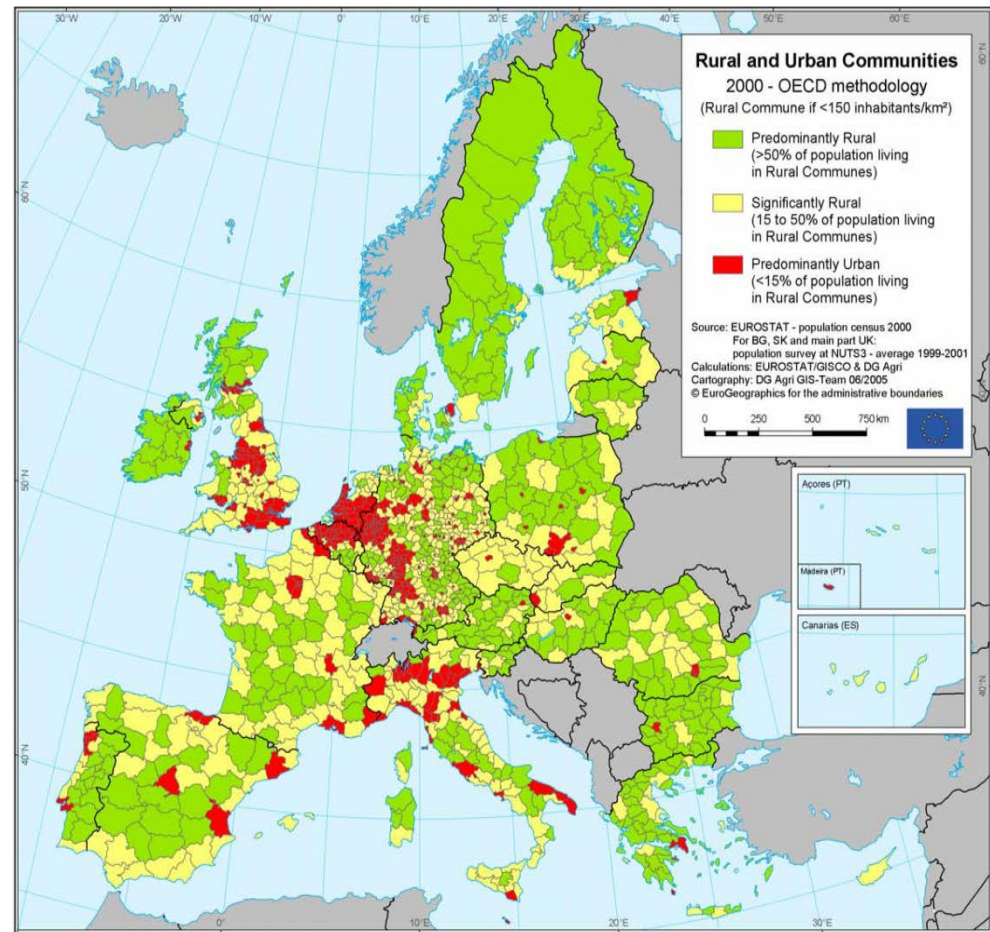
Quality is a key to success

- EU is encouraging best quality food production;
- Efforts to improving food quality have always been part of the CAP;
- Special products have special characteristics;
- Organic agriculture.



Countryside

- Rural areas and forests cover 90% of the EU territory, of which more than half is farmed;
- Agro-environment schemes have been supported by the EU since 1992. They encourage farmers to provide environmental services that go beyond following good practice and basic legal standards have been consolidated in one axis of Rural Development policy for the period 2007-2013.



Consumers and food safety

- Developments in the CAP have occurred not only because of changes in farming, but also in response to the demands of society as a whole and as a consequence of the WTO talks (GATT);
- CAP and other EU policies, such as consumer protection, have been considerably strengthened since the 1990s:
 - *Food safety;*
 - *Animal health and welfare;*
 - *CAP contribution.*



Assistance to rural communities

- Nearly 60% of the population of the 27 Member States of the EU live in rural areas covering 90 % of the territory, making rural development a vitally important policy area.
- European strategic guidelines for rural development envisaged a specific fund for Rural Development
⇒ European Agricultural Fund for Rural Development (EAFRD).



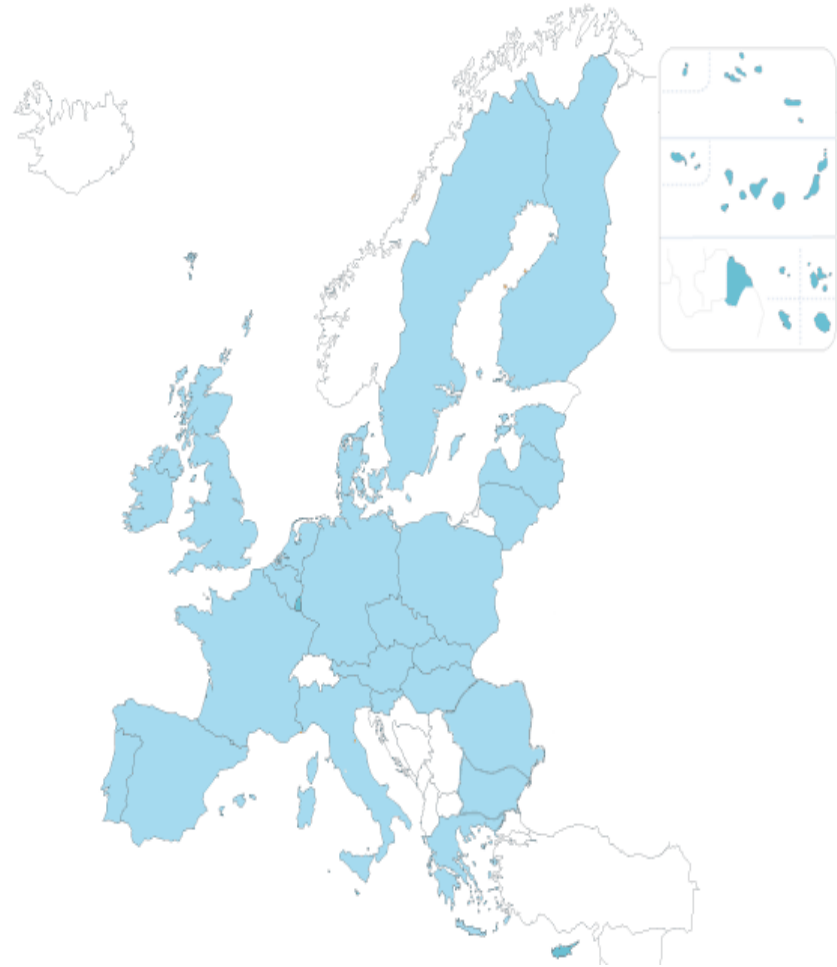
Rural Development policy – 2nd pillar of the CAP

- Rural Development policy for the period 2007-2013 is based on 3 themes \Rightarrow 3 axes:
 - *improving agricultural competitiveness;*
 - *improving the environment and supporting land management;*
 - *improving the quality of life and diversifying the economy in rural areas*
- +
 - *“Leader” as 4th axis*



Enlargement and CAP

- Enlargement's impact on EU agriculture is dramatic;
- Further 7 million farmers have been added to the EU's existing farming population of 6 million of the former 15 MS;
- 12 new MS added about 55 million hectares of agricultural land to the 130 million hectares in the old EU-15, an increase of 40 %, although production in the EU-27 only expanded by about 10 - 20 % for most products.



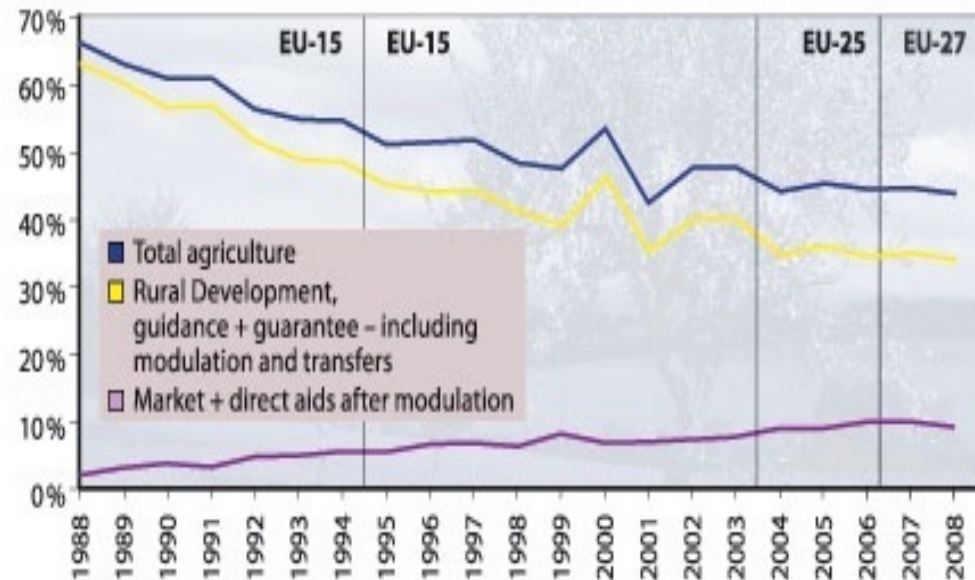
EU as a major world trader in agricultural goods

- EU has extensive contacts and trading relations with third countries and trading blocks;
- EU is a major player in global agricultural trade as the biggest importer and second largest exporter of foodstuffs;
- EU plays a leading role in establishing global trade agreements in the World Trade Organisation (WTO);
- EU also negotiates and concludes bilateral trade agreements with individual third countries, free trade agreements with its near neighbours, special arrangements with developing countries, grants preferential access to the EU market, and more extensive relationships with regional groupings;
- EU is the only big trading group which is in practice actually importing considerable quantities from developing countries.

Cost of CAP

- CAP exists for more than 40 years – one of the most important policies;
- At the beginning it represented a significant proportion of the budget (at times 2/3), now it represents 40% - 55 billion € per year;
- Unlike other public expenditure (education, transport, defence, etc ...) decisions on CAP are made on EU level, the cost of around 2 € per EU citizen per week;
- CAP operates within a set of strict parameters – evaluation, monitoring and budgetary control.

AGRICULTURE IN PERCENTAGE OF EU TOTAL BUDGET
Commitments



CAP as promoter of sustainable agriculture in a global environment

- Ensuring a stable supply of affordable and safe food for its population;
- Providing a reasonable standard of living for EU farmers, while allowing the agriculture industry to modernise and develop;
- Ensuring that farming could continue in all regions of the EU.

With the CAP's development the following factors became important:

- improving the quality of Europe's food;
- guaranteeing food safety;
- looking after the well-being of rural society;
- ensuring that the environment is protected for future generations;
- providing better animal health and welfare conditions;
- doing all this at minimal cost to the EU budget in a transparent way (which is funded mainly by taxpayers, i.e. ordinary citizens).

QUESTIONS FOR FURTHER DISCUSSION

- How we can justify multifunctional agriculture? Provide some good exemplars and good practices!
- Do we need subsidies for agriculture production and why yes or not?
- What can be the changes in CAP after 2013?

For further information:

- DG AGRI:
http://ec.europa.eu/agriculture/index_en.htm
- CAP:
http://ec.europa.eu/agriculture/capexplained/index_en.htm
- “Health Check” of the CAP
http://ec.europa.eu/agriculture/healthcheck/index_en.htm
- Summaries of legislation – Agriculture:
<http://europa.eu/scadplus/leg/en/s04000.htm>
- Activities of the EU – Agriculture:
http://europa.eu/pol/agr/index_en.htm
- Economic Analysis and Evaluation
http://ec.europa.eu/agriculture/analysis/index_en.htm
- Agricultural Policy Analysis and Perspectives
http://ec.europa.eu/agriculture/analysis/perspec/index_en.htm

Rural Development Policy 2007- 2013

Legal basis of Rural Development Policy 2007-2013

Council Regulation **(EC) No 1698/2005** on support for rural development by the European Agricultural Fund for Rural Development (EAFRD):

- introduces a single instrument to finance rural development policy: the **EAFRD** (set up on 1 January 2007, established by Regulation (EC) No 1290/2005);
- defines the aims of rural development;
- the framework governing it.

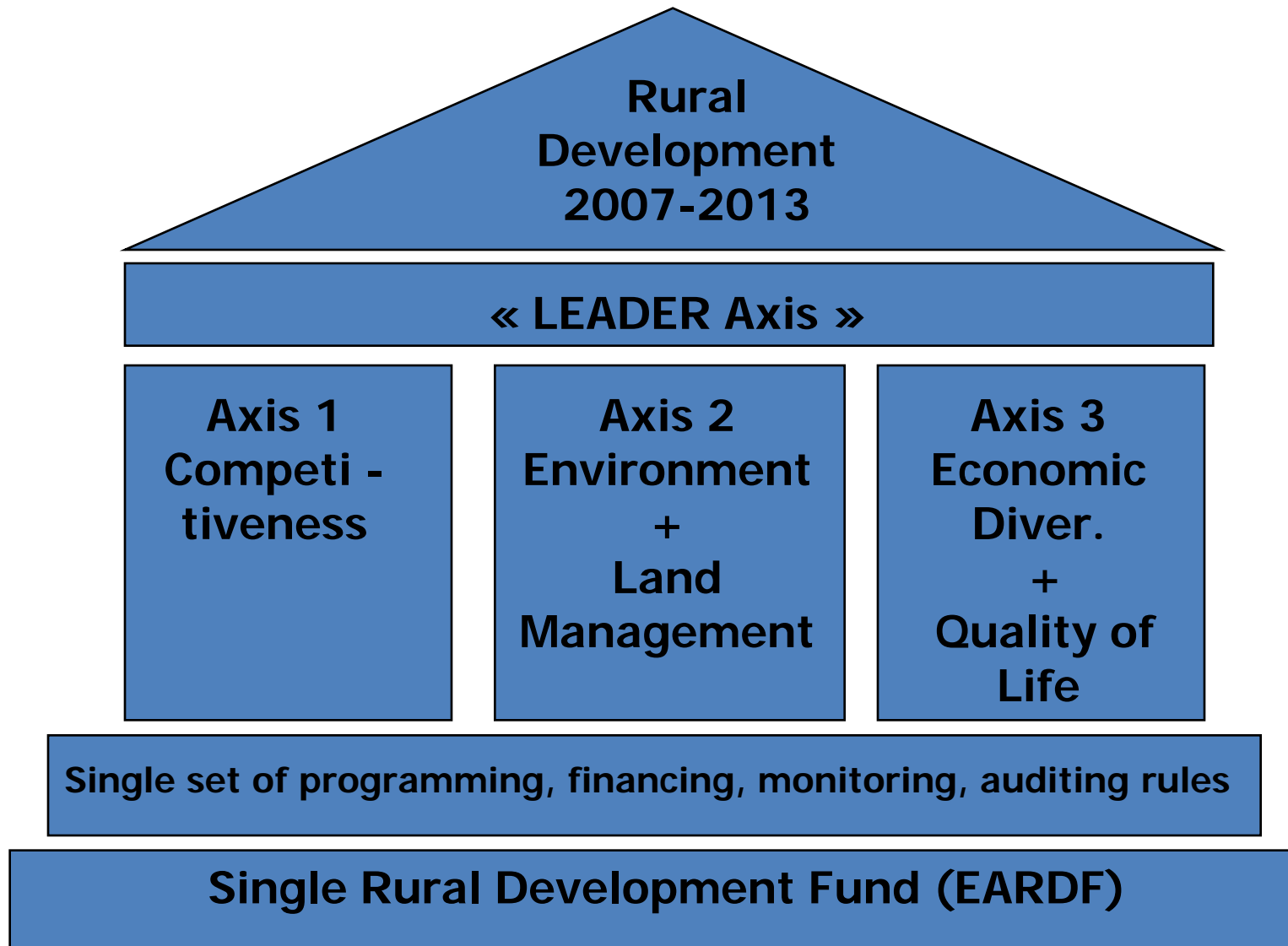
Rural Development Policy 2007-2013

EAFRD will contribute to achieving the **three objectives** (known as "thematic axes"):

- improving the competitiveness of the agricultural and forestry sector by means of support for restructuring;
- improving the environment and the countryside by means of support for land management;
- improving the quality of life in rural areas and encouraging diversification of the rural economy.

A further requirement is that some of the funding must support projects based on experience with the Leader Community Initiatives.

Rural Development Policy 2007-2013: Architecture



Building blocks of the policy

- EU strategy
- National strategy
- National or regional rural development programmes
- 4 priority axes including Leader axis
- 41 measures:
 - 16 under axis 1,
 - 13 under axis 2,
 - 8 under axis 3,
 - 3 under axis Leader,
 - technical assistance

The strategic approach

1. EU **Strategic Guidelines** establish the Community Priorities for the period 2007-2013 under the three core objectives

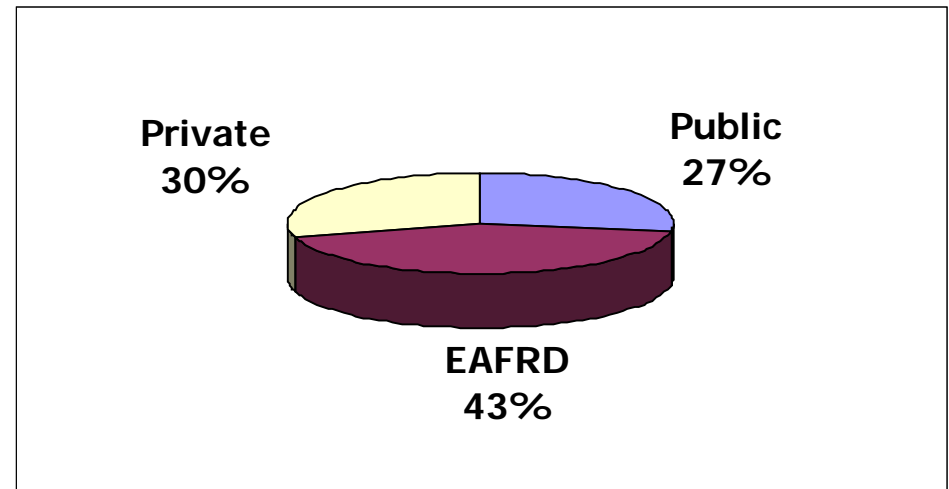
2. **National Strategies** reflect EU-priorities according to the situation in the Member State concerned

3. Establishment of **national or regional programmes** on the basis of SWOT analysis

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

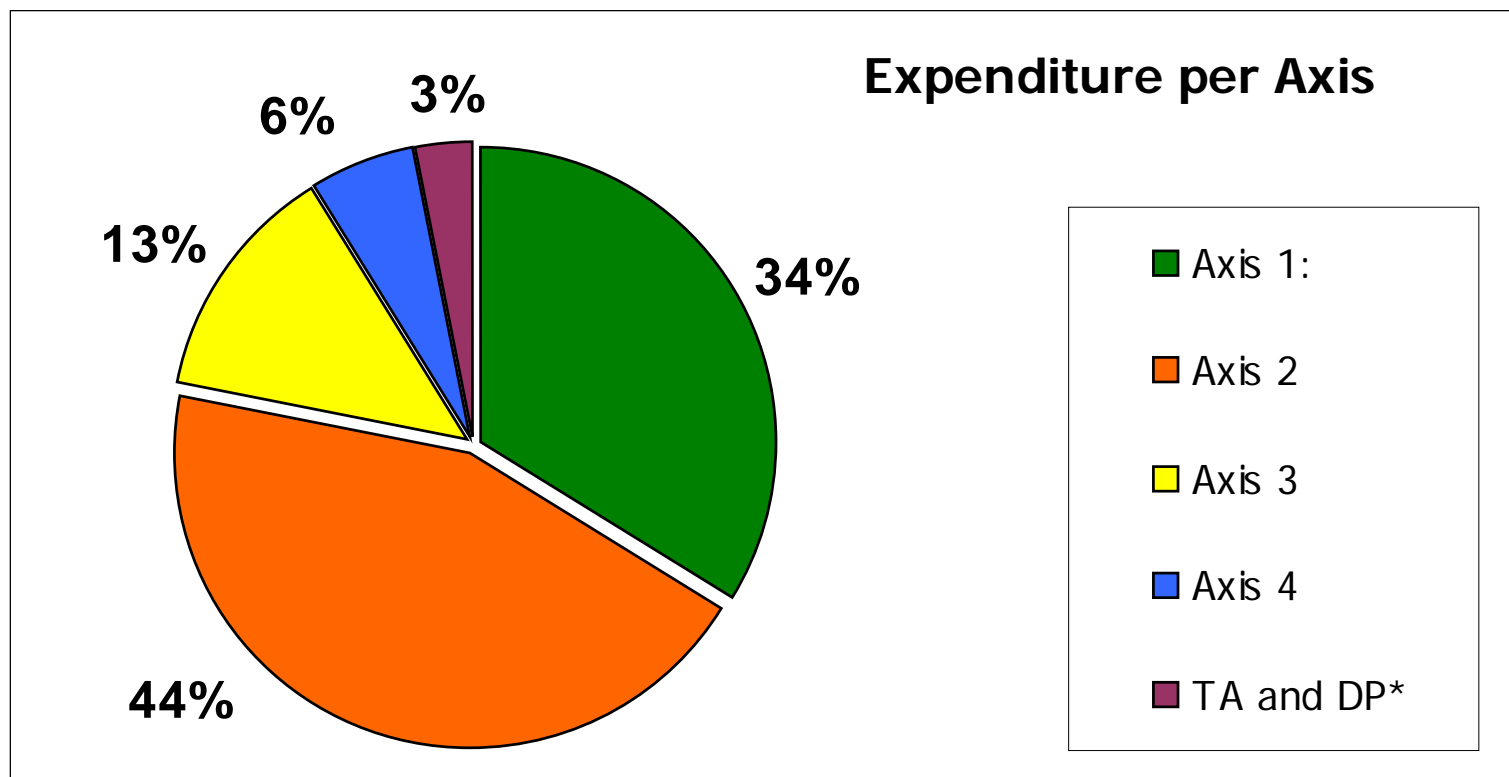
The global Rural Development expenditures

- **EAFRD :**
€ 90,8 billion (43% of total)
- **Public expenditures :**
€57,9 billion (27% of total)
- **Private expenditures :**
€62,7 billion (30% of total)



TOTAL : €211,4 billion

Rural Development Policy 2007-2013: Indicative expenditure per Axis



* Technical assistance + Complements to direct payments for Bulgaria and Romania : 3%

Balance between objectives (Art.17)

The Community financial contribution to each of the three objectives shall cover:

- Competitiveness objective: total programme funding at least 10%
- Environment/land management: 25%
- Quality of life and diversification: 10%
- Implementation of the LEADER approach:
 - At least 5 % of total EARDF contribution in the old MS
 - At least 2,5% in the new MS.
 - Romania and Bulgaria (2,5% from 2010) At least 5 % of total EARDF contribution in the old MS

Community co-financing rates (Art 70.):

Maximum contribution from the EAFRD for each axis:
(shall be calculated on the basis of the amount of eligible public expenditure)

- **Axis 1 and 3** - maximum (as well as for the technical assistance) co-financing rate of 50% (75% in Convergence regions)
- **Axis 2 and 4** - maximum co-financing rate of 55% (80% in Convergence regions)
- 85 % for the programmes of the outermost regions and the smaller Aegean Islands
- Minimum co-financing rate per axis shall be 20%

Axis 1: Improving the competitiveness of the agricultural and forestry sector



Aid for all measures aimed at enhancing human potential, physical capital and the quality of agricultural production:

- Human potential: vocational training; setting up of young farmers; early retirement; management, relief and advisory services, ...
- Physical potential: investments to improve production, processing and marketing structures (and infrastructures), ...
- Production and products quality: adaptation to new EU standards; participation in food quality schemes; promotion for quality products.
- Transitional measures for the new Member States (until 2008)

Axis 1 - Rural Development Programme

In its RDP the MS set out:

- Expenditure foreseen under axis 1:
 - minimum **10%** of the Community contribution to the programme.
- Which measures to implement and how they fit to the national strategy.
- Indicative breakdown of funding per measure.

Axis 2: Improving the environment and the countryside

Encouraging farmers and forest holders to employ methods of land use compatible with the need to preserve the natural environment and landscape and protect and improve natural resources.

Agri-environment measures are compulsory for each programme!



The toolbox for axis 2 : two blocks of measures targeting sustainable use of:

Agricultural land

- Less Favoured Areas
- Natura 2000 and Water Framework Directive
- Agri-environment
- Animal welfare
- Non-productive investments



Forestry land

- First afforestation on agricultural and non agricultural land
- Agro-forestry
- Natura 2000
- Forest-environment
- Restoring forestry potential / prevention
- Non-productive investments



Axis 2- Rural Development Programme

In its RDP the MS sets out:

- Expenditure foreseen under axis 2 :
 - minimum **25%** of the Community contribution to the programme (without taking into account the contribution to Complementary National Direct Payments)
- Which measures to implement and how they fit to the national strategy.
- Indicative breakdown of funding per measure.

Axis 3: Diversification of the rural economy and quality of life in rural areas

Diversification of the rural economy:

- means the development of all types of economic activities in rural areas, other than agriculture
- a territorial concept, not a sectoral one
- all the population living in rural areas may benefit

The **quality of life in rural areas**: is a broad concept concerned with the well-being of rural society

- different dimensions involved: basic services, living conditions, accessibility, knowledge, education and training, cultural and natural amenities, community life and social participation
- responds both to rural needs as well as to expectations from modern society (broad mission)
- relatively new as a concept and different from diversification of farm activity or multi-functionality.

Axis 3- Rural Development Programme

In its RDP the MS sets out:

- Expenditure foreseen under axis 3 and on axis 4 (phasing in for the new Member States) of the Community contribution:
 - minimum **10%** of the Community contribution to the programme.
- Which measures to implement and how they fit to the national strategy.
- Indicative breakdown of funding per measure.

Axis 3 -Implementation issues

- Application to **rural areas**:
 - Axis 3 applies to rural areas only
 - No common EU definition
 - Eligible operations can be exceptionally located outside the rural area if the main socio-economic impact is benefiting rural areas.
- Eligibility rules
- Demarcation issues between the measures
- Possibility to integrate measures (e.g. quality of life measures)
- Coherence of the measure (relation between the objective of the measure and the eligible operation)

Axis 3: Quality of life in rural areas and diversification of the rural economy

Three blocks of measures targeting:

- Diversification of the rural economy: on farm diversification; off farm diversification (micro-enterprises); tourism; protection and management of natural heritage; small scale infrastructure ...
- Improvement of the quality of life: basic services; village renewal;
- Training, skills acquisition and animation: and capacity building; ...Area studies, information, training animators, leaders, promotional events, partnerships

Implementation preferably through local development strategies!

“Leader” Axis

Delivery system measures (Art 63)

- a) Implementing local development strategies through a “Leader” approach to achieve the objective of one or more of the 3 thematic axis;
(Measure 41)
- b) Implementing Cooperation projects (inter-territorial and transnational) between areas involved
(Measure 42)
- c) Running the LAGs, acquiring of skills and animating the territory. (Measure 43)

Concept for the Leader Axis

- The LEADER method is applicable to the whole range of rural development measures
- Little use for actions under Axis 2, although some programmes apply Leader to territorial agri-environmental payments
- Priority intervention field is still Axis 3

Technical assistance and Networks (Art. 66-68.)

To support the implementation of MS strategies and programmes:

- Technical assistance
- Networks:
 - European Network for Rural Development
 - National Rural Network

Networks- European level

European network for rural development (EN RD) assists the Commission in implementing the policy; (Art. 67)

Roles include:

- collecting, analysing and diffusing information on RD measures, on good practice, on developments in rural areas,
- organising seminars,
- facilitating expert networks & exchange of expertise,
- supporting national networks

European Evaluation Network for Rural Development

Roles include: strengthen the relevance, effectiveness, efficiency, impact and sustainability of evaluation work on EU RDPs

Networks –National level

National rural network (by the end of 2008) bringing together all organisations and administrations involved in rural development. (Art. 68)

Roles include:

- identifying and sharing good practice;
- organising exchanges of experience and know-how;
- preparation of training programmes for Leader groups and assisting them with co-operation activities

QUESTIONS FOR FURTHER DISCUSSION

- How we can define public goods?
- Roles of the EU and Governments and NGOs- make your critics and suggestions to increase efficiency in rural development projects?
- What can be the benefits of the cross compliance additional measures in RD? Give some good practices and cases!

Meeting new challenges

- **Why the need to face new challenges?**
 - Climate change imposes both mitigation and adaptation challenges on agriculture
 - Implications are linked to bio-energy demand, water scarcity, risk management
- **How to face new challenges?**
 - Strengthen and, where appropriate, adapt existing instruments
 - Identify measures that contribute to:
 - improving water management
 - developing renewable energies
 - Retaining the environmental benefits of set-aside
- **The need to strengthen the second Pillar**
 - Since 2003 reform, needs for RD funds increased with new challenges
 - Since 2003 reform, RD funds were reduced with respect to what was foreseen
 - Increase in modulation is the only available way to meet new needs
 - EU-15 should increase modulation by 8% over 2009-2012, based on present distribution key
 - EU-10 should apply modulation only when direct payments reach full level (2012)
 - Modulation does not apply for EU-12 during this period

Information source

- Rural Development policy 2007-2013

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

- Legislation RDP 2007-2013

http://ec.europa.eu/agriculture/rurdev/leg/index_en.htm

- Summary of legislation:

<http://europa.eu/scadplus/leg/en/lvb/l60032.htm>

- Country files

http://ec.europa.eu/agriculture/rurdev/countries/index_en.htm

- European Evaluation Network for Rural Development

http://ec.europa.eu/agriculture/rurdev/eval/network/whatwedo_en.htm

Thank you for your attention!