Rural development: Community strategic guidelines, support by the EAFRD, programming period 2007–2013

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This report is the second report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the implementation, firstly, of the Community strategic guidelines for rural development (2007-2013) and, secondly, of the National Strategy Plans (NSP). This report, which is based on the analysis and appraisal of the summary reports submitted by Member States in 2012, are aggregates from the beginning of the programming period in 2007 to the end of 2011.

The strategic guidelines, which are based on priorities laid down in Council Regulation (EC) No 1698 /2005 on the European Agricultural Fund for Rural Development (EAFRD), are as follows:

- Axis 1: improving the competitiveness of the agricultural and forestry sectors;
- Axis 2: improving the environment and the countryside;
- Axis 3: improving the quality of life in rural areas and encouraging diversification;
- Axis 4: building local capacity for employment and diversification.

In addition to the thematic priorities, the Strategic Guidelines also highlighted the need for ensuring consistency in programming and complementarity between Community instruments.

The guidelines provide the framework within which Member States prepare their national strategy plans (NSPs) for rural development and translate the EU priorities into national priorities, and serve as a reference for the RDPs.

The total EAFRD expenditure undertaken by the EU27 Member States at the end of 2011 amounted to **EUR 44.5 billion**, representing 46% of the overall 2007-2013 budget of **EUR 96.2 billion**. Given that the timeframe under consideration represents 56% of the payment period (5 years out of 9), annual expenditure has been accelerating after an initial slow start during the first years of the 2007-2013 programming period. The picture is far from homogeneous among the Member States: two had spending levels of around 70%, while four have spent under 40%. It should be noted that payments made for commitments of the previous programming period 2000-2006 as foreseen in the transitional rules had mostly run out.

Axis 1: improving the competitiveness of the agricultural and forestry sector: the total EAFRD Axis 1 expenditure registered for the 2007-2011 period amounts to 42% of its 2007-2013 overall allocation (EU27 average). The main results for this objective, at the end of 2011, are:

- number of participants who successfully completed a training related to agriculture and/or forestry: 1,353,000 (49% of the 2013 estimated target);
- number of holdings introducing new products or new techniques: 73,600 (29% of the 2013 estimated target).

Axis 2: improving the environment and the countryside: the total EAFRD Axis 2 expenditure for the period 2007-2011 represents 58% of its overall allocation. The main results achieved for this objective at the end of 2011 are:

- 50 million Ha under successful land management contributing to biodiversity;
- 32 million Ha to improve water quality and
- 40 million Ha to improve soil quality.

Axis 3: improving the quality of life in rural areas and encouraging diversification of the rural economy: the total EAFRD Axis 3 expenditure for the period 2007-2011 represents 31% of its overall allocation 2007-2013 with significant differences between Member States. The main reasons for this slow uptake are the financial crisis (scarcity of private and national/local funds) and some administrative requirements (control obligations, long procedures for applications and selections). Furthermore, in some Member States, implementation of Axis 3 is made exclusively via Leader, and therefore the delays in Leader implementation have also impacted on Axis 3 uptake. The main results achieved for this objective at the end of 2011 are:

- creation of more than 20 000 jobs in a context of growing unemployment in rural areas;
- population in rural areas benefiting from improved services supported by EAFRD: 62 million people;
- an additional 3.5 million households in rural areas have potential access to internet.

Axis 4: building local capacity for employment and diversification: at the end of 2011, the selection of Local Action Groups (LAGs) was completed in 25 Member States. The total number of LAGs is now 2323. Due to the fact that the LAG selection process was completed relatively late, many of the selected LAGs have only started to implement projects linked to their local development strategy. This explains the low EAFRD Axis 4 financial uptake which represents 18% of the overall allocation for this axis for the programming period but a substantial increase in the latest quarterly expenditure was observed.