

European Agricultural Fund for Rural Development (EAFRD): support for rural development 2014-2020

2011/0282(COD) - 17/12/2013 - Final act

PURPOSE : to lay down new rules on the Common Agricultural Policy (CAP) for the period 2014-2020 (support for rural development by EAFRD).

LEGISLATIVE ACT : Regulation (EU) n° 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005

CONTENT : this Regulation is part of a series of measures aiming to **reform the Common Agricultural Policy (CAP)**. The CAP reform package contains four main legal texts:

- [the Regulation](#) establishing **rules for direct payments** to farmers;
- [the Regulation](#) on the common organisation of the market in agricultural products;
- [this Regulation](#) on **support for rural development**;
- [the Regulation](#) on the financing, management and monitoring of the CAP (horizontal Regulation.)

The package also includes a [transitional Regulation](#) for 2014.

The main objectives of the reform are to **make the CAP greener, more equitable and better targeted**. The reformed CAP remains a strong common policy structured around its **two complementary pillars**: direct payments and market management (first pillar) and rural development (second pillar).

This Regulation lays down general rules governing **Union support for rural development, financed by the European Agricultural Fund for Rural Development ("the EAFRD")**. It sets out the objectives to which rural development policy is to contribute and the relevant Union priorities for rural development.

Mission and priorities: the EAFRD shall contribute to the Europe 2020 Strategy by promoting sustainable rural development throughout the Union in a manner that complements the other instruments of the CAP, the cohesion policy and the common fisheries policy.

The [Common Provisions Regulation on five structural and investment funds](#) will now provide common rules on programming for all EU Funds, requiring Member States to establish a Partnership contract at national level covering their respective programmes for each Fund, including the EAFRD.

There are six Union priorities for rural development:

- fostering **knowledge transfer and innovation** in agriculture, forestry, and rural areas;
- enhancing **farm viability** and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests;

- promoting **food chain organisation**, including processing and marketing of agricultural products, animal welfare and risk management in agriculture;
- restoring, preserving and enhancing **ecosystems** related to agriculture and forestry;
- promoting **resource efficiency** and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors;
- promoting **social inclusion**, poverty reduction and economic development in rural areas.

Investments: in the interest of simplification, but also of allowing beneficiaries to design and realise integrated projects with increased added value, a single measure will cover most types of physical investments. These aim to:

- improve the economic and environmental performance of agricultural holdings and rural enterprises;
- improve the efficiency of the agricultural products marketing and processing sector;
- provide the infrastructure related to the development, modernisation or adaptation of agriculture and forestry, including access to farm and forest land, land consolidation and improvement, and the supply and saving of energy and water;
- support non-productive investments linked to the achievement of agri-environment-climate objectives, including biodiversity conservation status of species and habitat.

Farm advisory services: support will be provided for farmers, young farmers, forest holders, other land managers and SMEs in rural areas to improve the sustainable management and overall performance of their holding or business. Support will also be given to producer groups and organisations of **quality products** covered by the measure on quality schemes for agricultural products and foodstuffs.

Forestry : support for investments in forestry has also been simplified and streamlined. There will be a single integrated measure covering all investments, and support will be targeted to specific forest holders to increase both efficiency and effectiveness of the measure.

Climate and environment: the measures concerning environment and climate (**agri Environment, organic farming Natura 2000 and the Water Framework Directive**) have been strengthened to increase their effectiveness and their implementation has remained compulsory. Moreover, a large degree of flexibility has been introduced by allowing for shorter commitments periods and periods of conversion, in order to encourage a wider uptake of the measures.

Areas with natural constraints: payments to farmers in mountain areas or in other areas facing natural or other specific constraints will be made annually per hectare of agricultural area.

A **new delimitation** of areas with natural constraints is introduced. Such areas will now be defined on the basis of eight biophysical criteria, ensuring an objective and transparent system across the EU. In order to guarantee a smooth transition and continuity, Member States have **until 2018** to implement the new delimitation.

Risk management: support under this measure will cover

- the **premiums** for crop, animal and plant insurance as well as help with the setting up of mutual funds and the compensation paid by such funds to farmers for losses suffered as a result of adverse climatic events, the outbreak of animal or plant diseases, pest infestation or environmental incidents;
- financial participation in a **mutual fund** to support farmers facing a severe drop in their incomes from adverse climactic conditions.

Support will only be given **if more than 30 %** of the average annual production of the farmer in the preceding three-year period is destroyed.

Financing: the total amount of Union support for rural development under this Regulation for the period from 1 January 2014 to 31 December 2020 shall be **EUR 84 936 million**, in 2011 prices.

The Regulation provides for a higher rate of co-financing (85%) for the less developed regions, in the outermost regions and in the smaller Aegean islands and for all regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25.

At least **30 %** of the total EAFRD contribution shall be reserved for measures under environment and climate related investments, climate change mitigation and adaptation and biodiversity. At least **5 %**, of the total EAFRD contribution shall be reserved for LEADER, which supports the implementation of local strategies.

Innovation : measures for rural development, through the European Innovation Partnership (EIP) for agricultural productivity and sustainability, will promote the resource efficient development of agriculture and forestry. The EIP will facilitate cooperation between agriculture and research in order to accelerate technological transfer to farmers.

ENTRY INTO FORCE : 20.12.2013. The Regulation is applicable from 01.01.2014.

DELEGATED ACTS : the Commission may adopt delegated acts in order to supplement or amend certain non-essential elements of the Regulation. The power to adopt delegated acts is conferred on the Commission for a period of **seven years from 20 December 2013**. The European Parliament or the Council may raise objections with regard to a delegated act within two months of the date of notification (which may be extended by two months). If Parliament or Council raise objections, the delegated act will not enter into force.