

Support for rural development by the European Agricultural Fund for Rural Development (EAFRD) 2007-2013

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The Commission presented its third report on the implementation of the National Strategy Plans (NSP) and the Community 2007-2013 strategic guidelines for rural development.

The report is based on the analysis and review of the summary reports submitted by the Member States in 2014 as well as on other available information, notably the financial and physical common monitoring indicators, and on the activities of the European Network for Rural Development.

It provides a summary of the main developments, current trends and challenges undertaken for the implementation of the NSP and the Community Strategic Guidelines.

(1) Budget and financial implementation: the total EAFRD expenditure realised by the 27 EU Member States by the end of 2013 amounted to **EUR 71 billion, representing 74% of the overall 2007-2013 budget** of EUR 96.2 billion. The annual expenditure is **globally on track after an initial slow start** during the first years of the programming period 2007-2013. The picture is far from homogeneous among the Member States as two of them had spending levels over 90%, while eight Member States had spent less than 70%.

Axis 1 (improving the competitiveness of the agricultural and forestry sector) implementation (**68%**) is broadly in line with the spending target for 2007-2013, by reason of a significant number of investment projects approved to be concluded.

Axis 2 (improving the environment and the countryside) has the highest execution ratio (**86%**) with an even balance between Member States values.

Axis 3 (improving the quality of life in rural areas and encouraging diversification of the rural economy) shows a notable increase. However there is variability among Member States and some of them are still delayed in meeting their targets. Axis 4 (building local capacity for employment and diversification - LEADER) has an implementation rate of 46%.

For these two axes, available data underline **variability among Members States particularly in LEADER execution**. Its overall good implementation clearly demonstrates the workability of LEADER, but the low levels of execution reported in some Rural Development Programmes point out a disparity among the rural areas of the Union. In this context a significant role can be provided by **networking through the European Network for Rural Development**.

(2) Implementation by axis: the monitoring system on rural development policy provides a picture of the main outputs and results for the CAP second pillar.

Axis 1 - improving the competitiveness of the agricultural and forestry sector: around 2.4 million of farmers were successfully trained and more than EUR 80 billion of total investment were mobilised in 637 thousands of projects.

Modernisation of agricultural holdings is the biggest Axis 1 measure in terms of EAFRD budget allocation (EUR 11.6 billion). The payment uptake of this measure is 75% of its total budget with 379 000 modernisation projects already completed (66% of the target).

Axis 2 - *improving the environment and the countryside*: the main results achieved for this objective at the end of 2013 are notably:

- **46.9 million hectares** under land management contributing to enhancing the environment (biodiversity, water quality, soil and addressing climate change) which represent 27% of the total EU Utilized Agricultural Areas. It includes 7.6 million hectares to support organic farming;
- 1.5 million hectares to support specific land management in NATURA 2000 areas or through the Water Framework Directive;
- 340 000 hectares supported for afforestation in both agricultural and non-agricultural areas.

Axis 3 - *Improving the quality of life in rural areas and encouraging diversification of the rural economy*: more than 50 000 projects of basic services for the economy and rural population are completed and 62 000 micro-enterprises were supported or created.

Axis 3 contributed to creating jobs (75 000) in a context of growing unemployment in rural areas. 135 000 operations to support development of non-agricultural activities in the rural areas, including business creation and new tourism activities.

Axis 4 - *Building local capacity for employment and diversification*: 140 000 LEADER projects have been supported so far. At the end of 2013, the total number of LAGs was 2 402. This number has doubled in comparison with Leader+ and half of the territories are implementing the Leader approach for the first time.

Individual programmes: the report noted that many corrective modifications have been made based on the difficulties encountered in the first years of implementation, taking into account the recommendations from the mid-term evaluations and incorporating additional funds addressing new challenges (Health Check) and the economic crisis (European Economy Recovery Package). Most of the changes observed were **budget shift between measures**, adaptation of the targeted beneficiaries and/or the eligibility criteria.

This picture will be completed by the **ex post evaluation** which will assess the overall impacts of the Rural Development Policy. Managing Authorities will submit to the Commission the RDP ex post evaluations for each individual RDP by the end of 2016 and this exercise will be followed by synthesis at EU level.