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

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The Commission presented its third report on the implementation of the national strategy plans and the Community strategic guidelines for rural development (2007-2013). It provides a summary of the main developments, current trends and challenges undertaken for the implementation of the NSP and the Community Strategic Guidelines.

Priorities for rural development for the period 2007-2013: on February 2006 the Council of the European Union adopted Strategic Guidelines for rural development for the period 2007-20132, providing three core thematic priorities:

1) Improving the competitiveness of the agricultural and forestry sector: the European Agricultural Fund for Rural Development (EAFRD) should contribute to a strong and dynamic European agri-food sector by focusing on the priorities of knowledge transfer, modernisation, innovation and quality in the food chain, and on priority sectors for investment in physical and human capital.

Expected result: to contribute to 575 000 investment projects for the modernisation of agricultural holdings and to support 34 000 enterprises for adding value to agricultural and forestry products.

2) Improving the environment and the countryside: the resources devoted to this priority should contribute to three EU-level priority areas: biodiversity and the preservation and development of high nature value farming and forestry systems and traditional agricultural landscapes; water and climate change.

Expected result: to have 47 million hectares (ha) of agricultural land under agri-environment management, 55 million ha of agricultural land in less favoured and mountainous areas compensated for their handicaps and 1.3 million ha of agricultural land supported to meet NATURA 2000 requirements.

3) Quality of life in rural areas and diversification of the rural economy: interventions should in particular be used to promote capacity building, skills acquisition and organisation for local strategy development and also help to ensure that rural areas remain attractive for future generations.

Expected result: to contribute to develop or create 73 350 businesses in rural areas and to support 29 000 village renewal projects.

Beyond the thematic priorities, the adopted Strategic Guidelines for rural development also highlight the need for:

- **building local capacity for employment and diversification** while contributing to the thematic priorities. This horizontal axis, also called "Leader Axis" (**Axis 4**) should play an important role in improving governance and mobilising the endogenous development potential of rural areas, through Local Development Strategies which contribute to diversification and quality of life;

- **ensuring consistency in programming**: synergies between and within the axes should be maximised. In particular, European and national networks for rural development should be set up as a platform for exchange of best practice and expertise on all aspects of policy design, management and implementation between stakeholders;
- **ensuring complementarity between Community instruments** in order to foster synergy between structural, employment and rural development policies.

The Strategic Guidelines provide the framework on the basis of which Member States prepared their National Strategy Plans, which translate the EU priorities into national priorities, and serve as a reference for the Rural Development Programmes.

The main conclusions of the report are as follows:

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 main difficulties of implementation reported in the previous reports have been largely overcome.

However, **lower uptake persists in some Member States** particularly in relation to Axis 3 (improving the quality of life in rural areas and encouraging diversification of the rural economy) and Axis 4 (building local capacity for employment and diversification implementation - LEADER).

For these two axes, available data underline **variability among Member States particularly in LEADER execution**. The low levels of execution reported in some RDPs 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.

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

- **in Axis 1**, around 2.4 million of farmers were successfully trained and more than EUR 80 billion of total investment were mobilized in 637 thousands of projects;
- **in axis 2**, measures targeting environmental issues were implemented on 47 million hectares;
- **in axis 3** 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;
- lastly, 140 000 LEADER projects (**Axis 4**) have been supported so far.

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.