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

2004/0161(CNS) - 14/07/2004 - Document attached to the procedure

COMMISSION'S IMPACT ASSESSMENT

Further information concerning the context of this issue may be found in the summary of the Commission' s initial proposal COM(2004)0490.

1- POLICY OPTIONS AND IMPACTS

Three basic options for the implementation of RD policy – the policy delivery system – are proposed.

1.1- Option 1: Improved status quo: Member States design their RD programmes for 2007-2013 by choosing from the current menu of measures grouped according to the three policy axes. MS can choose the geographic level of programming, either one national RD programme for their territory or several regional programmes covering the territory. Each programme includes, in axis 3, a LEADER type measure for which an amount of at least 4% of planned programme expenditure is reserved. The LEADER measure supports the best integrated local development strategies presented by Local Action Groups (LAG). Each programme (and major programme modification) is approved by the Commission.

Member States shall present annual progress reports based on a common set of monitoring indicators. A European Rural Development Observatory is set up by the Commission to follow the implementation of the programmes.

1.2- Option 2: A more strategic approach: One of the messages coming out of the mid-term evaluations of the current generation of RD programmes tends to be that many programmes lack focus and a clear strategy and tend to be a collection of too many measures without much coherence between them. Without clear objectives and a well-defined strategy which links objectives and the means to achieve the objectives programme results are difficult to evaluate. At EU level, it is even more difficult to assess and account for the outcomes of the policy. Under option 2, a first step in the programming phase would be the preparation by the Commission of a strategy document setting out the EU priorities for the three policy axes identifying strengths and weaknesses at EU level and core indicators to measure progress in achieving the EU priorities. The EU strategy would be adopted by the Council after opinion of the European Parliament and would form the basis for the national RD strategies of the MS. The RD programmes would be subject to Commission approval and would articulate the national strategy into a strategy for each of the three axes with quantified objectives and core result indicators and using as building blocks for each of the 3 axis.

1.3- Option 3: A more territorial approach: This option would follow the strategic approach of option 2 but would introduce territorial targeting for all three policy axes. To concentrate on the restructuring needs of the farm sector in poorer regions, axis 1 (competitiveness) would be limited to the two framework measures targeting human resources and the physical endowments of farms in lagging rural areas to be defined by the MS on the basis of objective criteria (e.g. GDP/capita, unemployment, access to services and credit).

CONCLUSIONS: The main advantage of option 1 is that, while introducing further simplification by moving to one funding and programming system for RD and adapting the implementation system to multi annual programming, it stays relatively close to the current systems, minimising the need for adaptations in programming and implementation by the MS.

The main advantage of option 2 is that it would allow to focus EU cofinancing of rural development on commonly agreed EU priorities and to monitor more closely the policy outcomes with regard to the priorities.

In addition, option 3 would provide a concentration of resources on lagging rural areas for axis 1 and axis 3 and more emphasis on a 'bottom-up approach' to the socio-economic development of lagging rural areas, but could be to the detriment of the adaptations needed in other rural areas, in particular in relation to axis 1 and the potential restructuring effects of the 2003 CAP reform. The high share of funding for the LEADER approach, the more difficult governance form to implement, could pose absorption problems.

The Commission believes that the time is ripe for the EU's RD policy to evolve towards a more strategic approach as outlined under option 2 which would focus the EU cofinancing available for rural development on commonly agreed EU priorities for the three policy axes, while leaving sufficient flexibility at Member State and regional level to find a balance between the sectoral and territorial dimension. For those Member States and regions capable and willing, the LEADER model could be applied on a wider scale, while for the EU as a whole continuation and consolidation of the LEADER approach would be safeguarded.

2- FOLLOW-UP

As described under option 2, the first step in the programming phase would be the preparation by the Commission of a strategy document setting out the EU priorities for rural development, to be presented to the Council and the Parliament. After adoption by the Council, the EU strategy would form the basis for the national strategies and programmes of the Member States. The rural development programmes would be subject to Commission approval. They would translate the national strategies for each of the three thematic policy axes and for the LEADER axis into quantified objectives and result indicators.

The Commission would report annually on the progress in implementing the EU priorities for RD. Where necessary this could lead to a proposal for the adjustment of the EU RD strategy.