



State of play in Rural Development Programming and future perspectives

Guido Castellano,
Unit F-1 – Conception and Consistency of Rural Development
DG Agriculture and Rural Development
European Commission

Oslo, 31 May 2018



Outline



- 1. Rural development programmes 2014 - 2020: state of play**
- 2. Communication: "The Future of Food and Farming"**
- 3. A new delivery model for the CAP**
- 4. CAP Budget for the future: the MFF 2021-2027**



1. State of play RD programmes 2014 - 2020

3

The two "Pillars" of the CAP



- **Pillar 1 – funded exclusively by EU (in general)**
 - Direct Payments (> 94% of Pillar 1 budget in 2014)
 - Market-related expenditure
- **Pillar 2 – co-funded by Member States**
 - Rural Development
 - 118 national or regional programmes

4

Funding of the Common Agricultural Policy 2014-2020



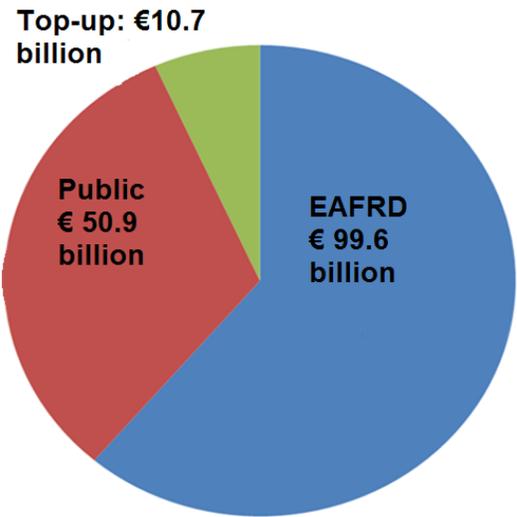
(in billion EURO – current prices)	Multiannual Financial Framework (MFF) 2014-2020	
1. Pillar: Market Measures and Direct Payments	308.7	76%
➤ of which Direct Payments	252.3	[62%]
2. Pillar: Rural Development	99.6(*)	24%
Total	408.3	100%

(38 % of MFF)

(*) following transfers between pillars



Total RD budget 2014-2020



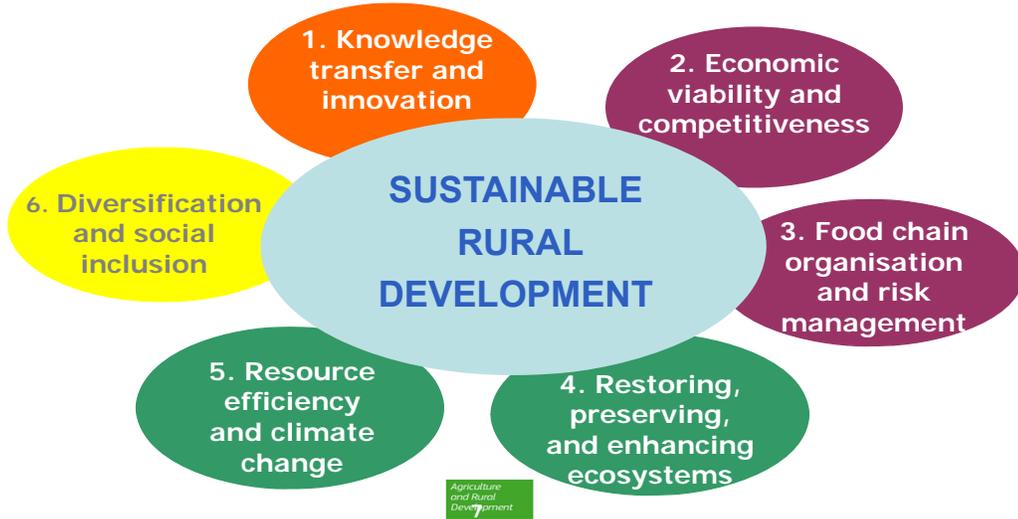
In total, around € **161** billion of total public funding for the period 2014 - 2020



The building blocks of RD programmes



Union Strategic Priorities for Rural Development



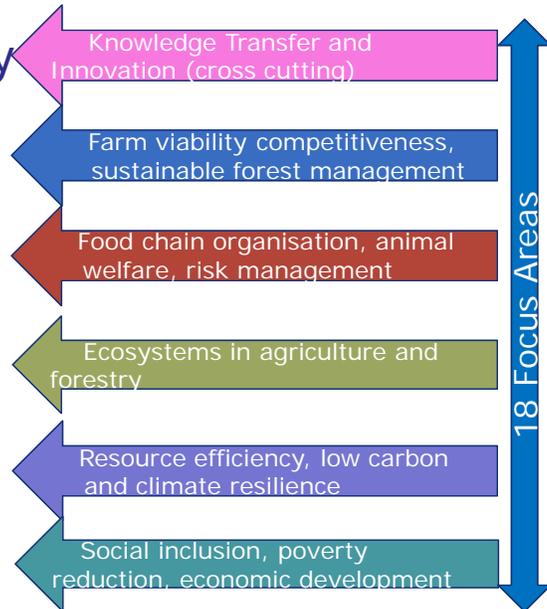
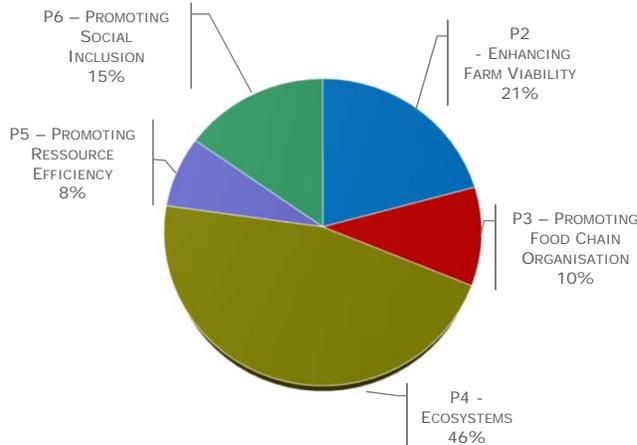
7

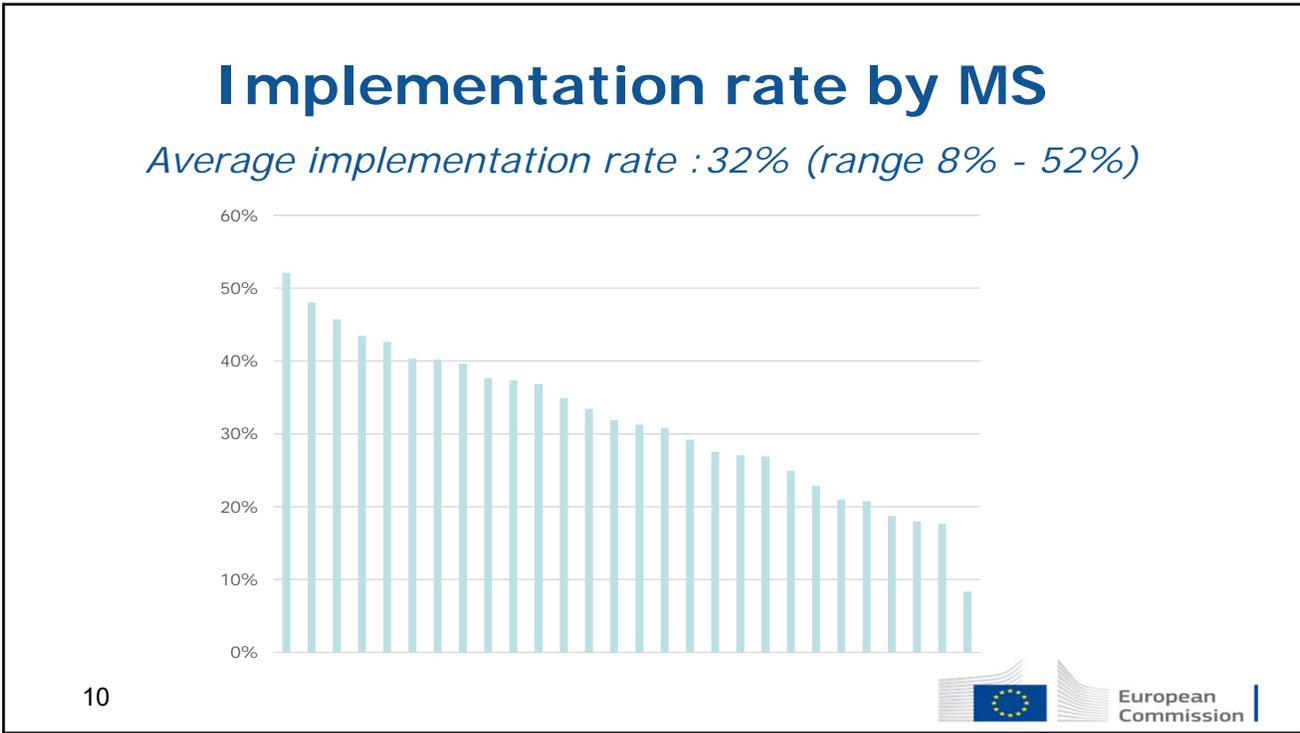
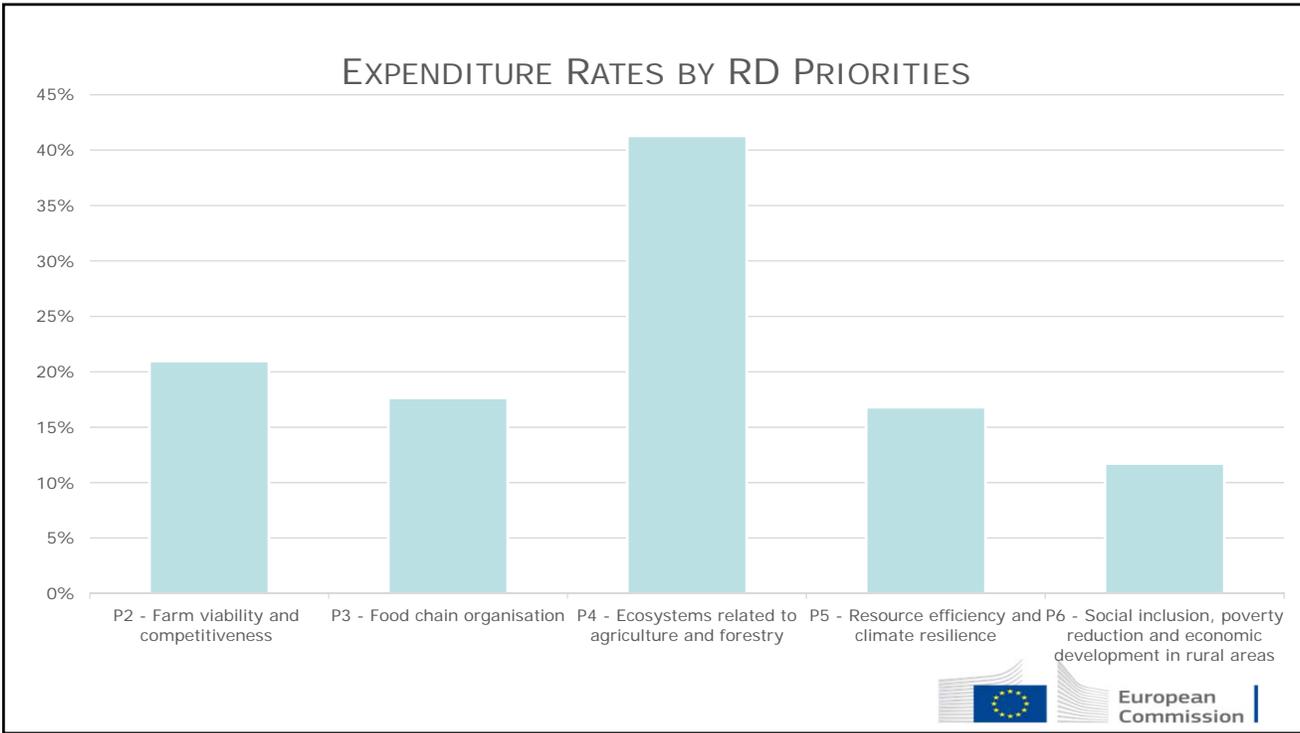


Programming by priority



Share of budget per RD priority





Target Setting and Implementation: State of Play in 2017



Selected EAFRD Target indicators (implementation in brackets)

- 3.8 million training places (6.8%)
- 333 000 agricultural holdings with RDP support for investments in restructuring or modernisation (11%)
- 17.7% of agricultural land under management contracts supporting biodiversity and/or landscape (74.6%)
- 7.7% of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (43.7%)
- € 2.9 billion total investment in energy efficiency (3.3%)
- 18 million rural citizens benefiting from improved access to ICT services/infrastructures (8%)

Agriculture
and Rural
Development

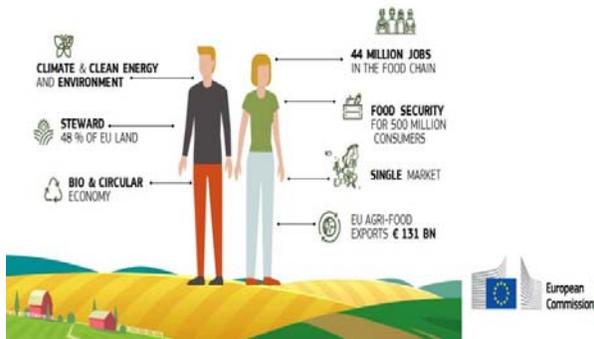


2. Communication: "The Future of Food and Farming"

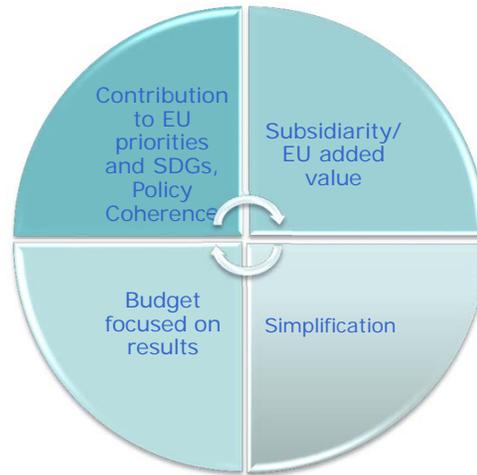
Communication: "The Future of Food and Farming"



THE CONTRIBUTION OF EU AGRICULTURE TODAY



Overall context



13

Future CAP: Objectives and Priorities



- Foster a smart and resilient agricultural sector
- Bolster environmental care and climate action and to contribute to the EU environmental and climate objectives
- strengthening the socio-economic fabric of rural areas
- Enhance knowledge-basis
More subsidiarity/performance
Enhance synergies with other policies



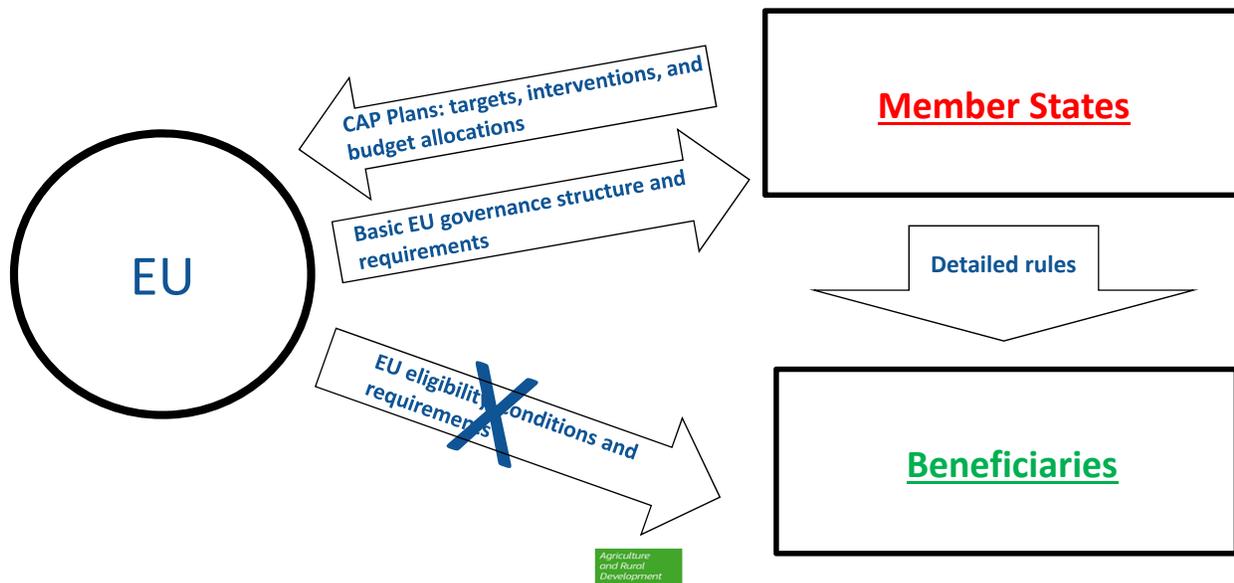
14

Towards a New Delivery Model



15

Compliance Set-up





3. The outline of the delivery model

17

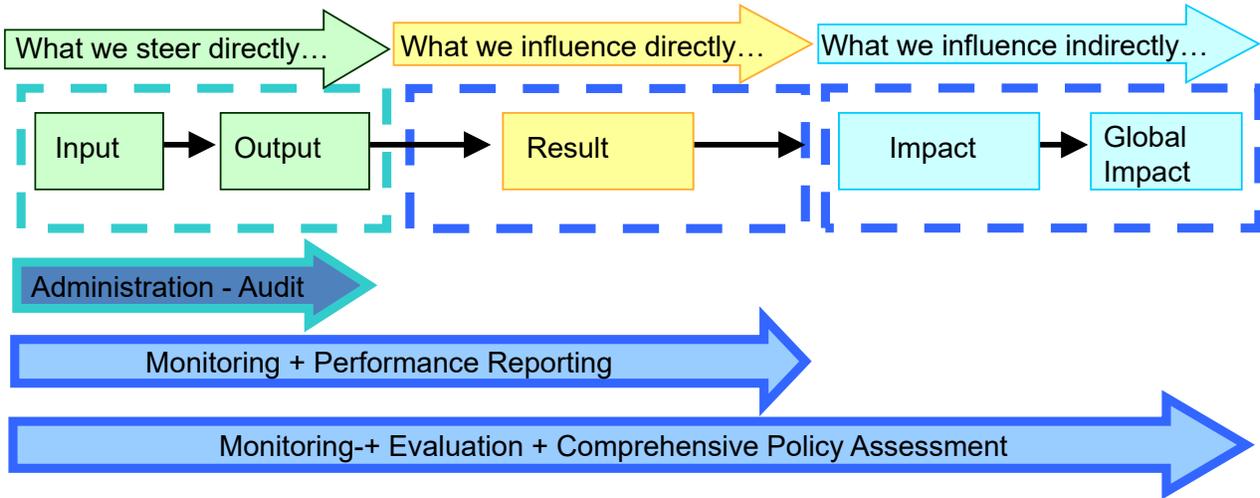
The outline of the new delivery model



- One single regulation covering both CAP Pillars
- Streamlined set of EU-level objectives (general, specific)
- Reduced number of eligibility requirements to access the support (to be mainly defined by Member States within the CAP Strategic Plan)
- Comprehensive set of common indicators for the purpose of target setting and reporting
- Performance anchored at Member State level, not at beneficiary level
- Member States greater say in designing the compliance and control framework applicable to beneficiaries

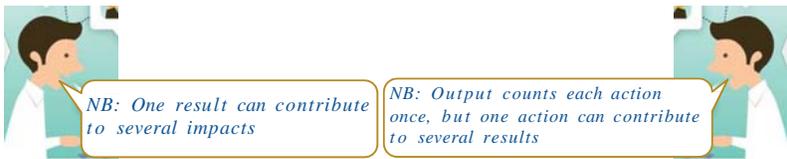
18

Achieving Objectives and Identifying Results



Agriculture and Rural Development

Result-oriented Policy Implementation



Common Impact Indicators ⇨ Common Result Indicators ⇨ Common Output Indicators



CAP Policy Performance
Impact indicators are used to evaluate policy performance at the level of overall objectives (mid-term and ex-post).



CAP Plan Performance
Result indicators are used for target setting in CAP plans and monitoring progress towards those targets ("Annual Performance Review")



CAP Assurance
The output indicators serve the purpose of linking expenditure to output. They are used for annual performance clearance.

Configuring the policy



“Structured planning process”

- Needs analysis against common objectives
- Definition of targets and indicators
- Configuration of operations and allocation of budget, based on broad types of interventions set out in EU basic acts, and in line with needs assessment as well as EU objectives and requirements and
- MS/regions: planning discretion
- Commission assessment and approval of CAP plan



2. CAP Budget for the future. The Commission proposal on MFF 2021-2027

Evolution of main policy areas

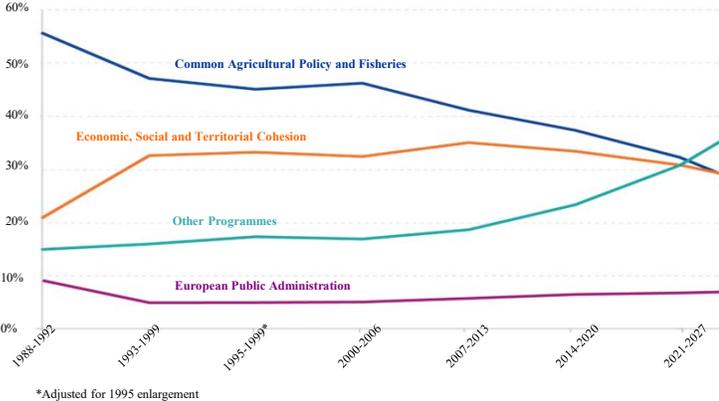


CONTEXT

- Brexit gap "12 billion"
- New challenges (migration; security & defence; etc.)

CAP SHARE

- 2014-2020: 37.6% (EU-28)
 - 2020: 34.7%
- 2021-2027: 28.5% (EU-27)
 - 2027: 26.9%
 - Based on COM proposal



*Adjusted for 1995 enlargement

CAP Pillar 2 - EAFRD



ALLOCATION

- **EUR 78 811 million**
- MS allocations (99.75%)
- EU technical assistance (0.25%)

(in EUR million, current prices)

	2021	2022	2023	2024	2025	2026	2027	TOTAL
MS allocations	11 231	11 231	11 231	11 231	11 231	11 231	11 231	78 614
EU technical assistance (0.25%)	28	28	28	28	28	28	28	197
EAFRD	11 259	78 811						



Further information available at:

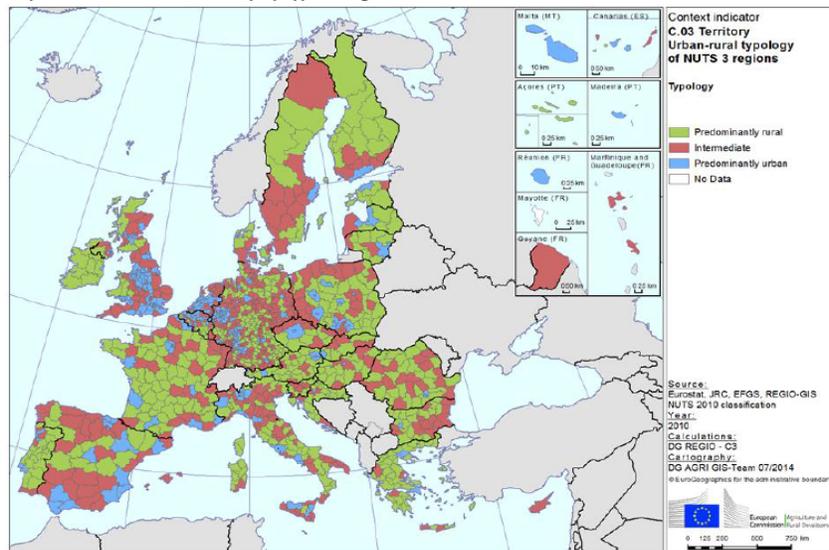
<https://ec.europa.eu/agriculture/future-cap.en>

Thank you for your attention!

Importance of rural areas in the EU



Map 1 – Distribution of territory by type of region in the NUTS 3 in 2013



Scope of RD Policy



Challenges and Opportunities



Steps in the Policy Cycle



1. Simplified EU legal framework, including CAP objectives and overall types of interventions
2. CAP plan, including target setting and budget allocations, in line with EU objectives and needs assessment
3. Implementation – payments from EU budget on the basis of interventions reflected in output indicators
4. Annual performance assurance (output) and performance review (result) – system audit and "single audit" principle
5. Annual performance reports on the basis of output and result indicators - longer-term evaluation (mid-term und ex-post) to be based on impact indicators

The outline of the new delivery model



Let me give you an example.

One of the impacts we want to achieve is a **reduction of greenhouse gas emissions**.

This is to be achieved through different measures, for which results must be measurable in terms of **share of agricultural area to which management requirements apply** or the **share of investment in green energy**.

The output is measured in terms of **hectares** or **number of investment projects**.