

RURAL DEVELOPMENT IN EUROPEAN UNION

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Abstract

The rural development is a very important and complex issue, involving different sectors and policies of European Union. With over half on the population in the 25 Member States of the E.U. living in rural areas, which cover 90% of the territory, rural development is a vitally important policy area. Farming and forestry remain crucial for land use and the management of natural resources in the rural areas, and as a platform for economic diversification in rural communities.

Rural areas account aprox. 90% of the territory of the European Union and are home to some 50% of the population. While urban people often believe rural areas would be just farms and forests, the reality is quite different. Rural areas in Europe are characterized by extremely diverse physical environments, a broad range of economic activities, unique social networks and century-old cultural traditions. In rural areas we can find industrial production sites and high-tech service centers, but also facilities for the energy and water supply of cities. In some parts of Europe we have unspoiled natural landscapes, in others monotonous cultivation areas, commercial forests, and large recreation facilities, such as theme-parks or ski-slopes

The European Union has had a dedicated rural development policy since 1999. Known as the "second pillar" of the Common Agricultural Policy (CAP), the rural development policy is managed through a legal instrument (the Rural Development Regulation), and absorbs approximately 15% of the total CAP budget.

The rural development is a very complex issue, involving different sectors and policies, such as agriculture, structural policies, social policies, community development and all sorts of local initiatives.

"Rural development" means all the instruments of agricultural policy, which are different from the traditional "market support type" instruments of the Common Agriculture Policy. These policies are aimed still at the structural transformation of agricultural production, including considerations of environmental sustainability. Their actions are targeted primarily at farmers, and their operations mostly remain within the agricultural sector. This type of policy will be referred to as agricultural structural policies.¹

Agri-environmental measures in European Union

Agri-environment measures are designed to encourage farmers to protect and enhance the environment on their farmland. It provides for paymentsto farmers in return

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¹ Gusztav Nemes, (2005, p.20-21).

for a service – that of carrying out agri-environmental commitments that involve more than the application of usual good farming practice.

Agri-environment measures may be designed at national, regional or local level so that they can be adapted to the particular farming system and environmental conditions, which vary greatly throughout the E.U. This makes agri-environment a potentially precise tool for achieving environmental goals.

Agri-environmental measures are diverse, but broadly speaking, one could say that each measure has at least one of two broad objectives: reducing environmental risks associated with modern farming on the one hand, and preserving nature and cultivated landscapes on the other hand.

Agri-environment commitments have to go beyond usual Good Farming Practice which is defined as encompassing mandatory legal requirements and a level of environmental care that a reasonable farmer is expected to apply anyway. They are compiled in Codes which Regions draw up and submit to the Commission with their Rural Development Plans – this means that a farmer can only be paid, for instance, for environmental commitments that go beyond statutory requirements defined in his regional Code of Good Farming Practice.

These measures designed to rural development began in a few Member States in the 1980s on their own initiative, and was taken up by the European Community in 1985 in Article 19 of the Agricultural Structures Regulation¹, but remained optional for the other Member States. In 1992 it was introduced for all Member States as an “accompanying measures” to the Common Agricultural Policy reform. It became the subject of a dedicated Regulation² and Member States were required to introduce agri-environment measures throughout their territory. In 1999, the provisions of the Agri-environment Regulation were incorporated into the Rural Development Regulation³ as part of the “Agenda 2000” CAP reform. The aim of their incorporation was to help achieve coherence within Rural Development Plans.

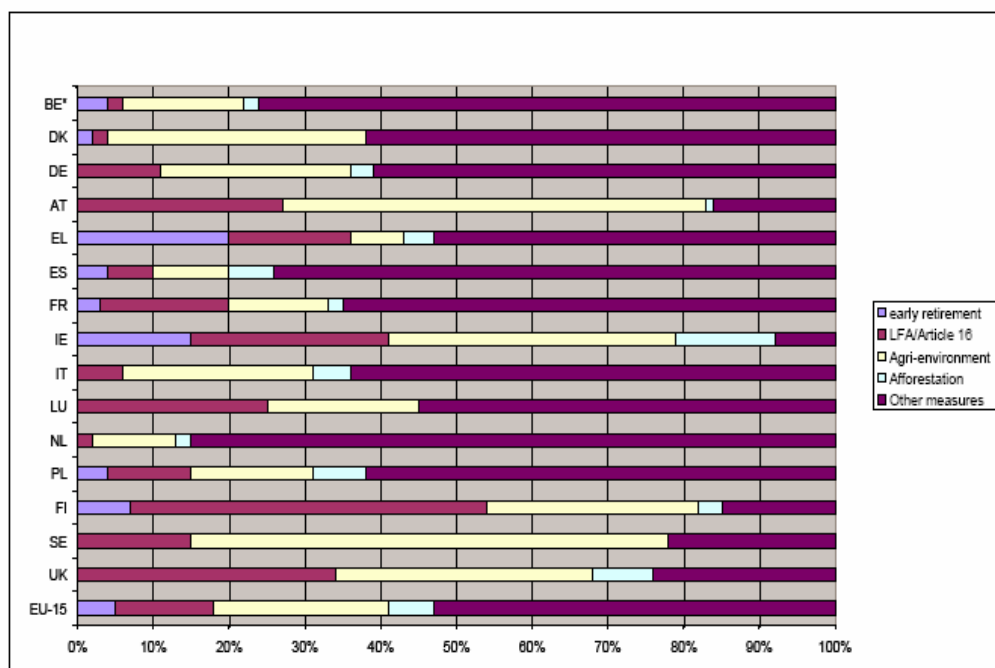
In the last few years it has been a important increase in the area of land covered by agri-environmental contracts in most Member States. For instance, the figure below shows the planned allocation of Rural Development Regulation spending by Member States from 2000-2006.

¹ Council Regulation (EEC) No. 797/85 of 12 March 1985 on improving the efficiency of agricultural structures, OJ L 093, 30.3.1985, PP. 1-18;

² Council Regulation (EEC) No. 2078/92 of 30 June 1992 on agricultural production methods compatible with the requirements of the protection of the environment and maintenance of the countryside, OJ L 215/85, 30.6.1992;

³ Council Regulation (EEC) No. 1257/99 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF), OJ L 160/99, 26.6.1999;

Planned allocation of Rural Development Regulation spending in E.U. 2000-2006



The principles of agri-environmental measures

Agri-environment measures follow a number of basic principles which are essential to the policy achieving its environmental objectives:

- agri-environment is optional for farmers, who may choose to sign a contract to carry out one or more measures designed to provide an environmental service. This optional nature tends to promote constructive cooperation and a positive attitude to the environment on the part of farmers;
- agri-environment is a specific policy: this measures can be tailored to different agronomic and environmental circumstances, which allows for a wide variation in both these parameters throughout the E.U. and within each Member State. These have chosen to implement the policy in very diverse way. This policy enables agri-environment to be a highly refined tool for environmental integration, able to achieve certain environmental results which are not possible for other instruments;
- the diversity of measures and environmental situation and the long lead-in time for some of the environmental effects to be perceivable, requires a structured and long-term approach to monitoring and evaluation;
- agri-environmental contracts compete economically with the most profitable land use, so payment levels have to be set sufficiently high to attract farmers to join schemes while avoiding over-compensation. This requires a calculation of appropriate payment levels by Member States;

- agri-environment payments may only be made for action farmers undertake above the reference level of mandatory requirements as currently defined by codes of “good farming practice”. This ensures the respect of the Polluter Pays Principles which requires that private actors have to bear the costs of rectifying or avoiding damage to the environment;

- Member States have a wide degree of discretion in how to implement agri-environment measures. This means that wider contextual and institutional issues as well as attitudes have a great influence on agri-environment measures uptake and their environmental effectiveness.

Agri-environment measures are established by Member States or Regions and submitted to the Commission for approval as part of their Rural Development Plans. Sometimes new measures or amendments are submitted during the programming period. The proposed measures are examined in detail by the Commission services to check their conformity with the Regulation. Where necessary, discussions take place between the Commission services and the Member State/Region to see how the measures can be improved. The proposals are then put for an opinion to the Committee on Agricultural Structures and Rural Development (STAR), which is a Committee of Member State representative, chaired by the Commission approval, the measures can be implemented.

Measures and their objectives

Impacts of agri-environment measures are complex to analyse. The classical approach to evaluation would be to relate each measure to its environmental impacts, and then to draw some more general conclusions about the impacts of the measures as a whole. This is often not possible as there is insufficient empirical material available to relate each measure to the environmental situation observed. It is particularly difficult to isolate the effect of agri-environmental measures from those of the many other drivers that influence environmental outcomes.

In order to facilitate understanding about the diversity of agri-environment measures included in the Rural Development Plans, a list of the main categories of measures is set out below. With each category is a brief description of the sort of environmental impact one might expect such measures to have. The real impact might vary from measure to measure, both because of differences in each measure's focus and design, and because of differing local conditions where the measure is applied.¹

1. Measures related to productive land management:

- Input reduction – these measures includes reductions in fertilizers and plant protection products. This can be combine with crop rotation measures and also other measures such as organic farming. Expected impacts include: securing water quality, enhance biodiversity and soil quality.

- Organic farming – this is defined and controlled approach to farming which incorporates a wider range of measures: enhanced soil quality, preserving water quality and biodiversity enhancement.

- Extensification of livestock – this can be expected to have positive effects on

¹ Agri-environment Measures, European Commission, Directorate General for Agriculture and Rural Development, March 2005;

water quality, soil quality, biodiversity and landscape preservation.

- Conversion of arable land to grassland and rotation measures – conversion of arable land to grassland can have positive effects on water quality, water quantity, soil quality, biodiversity and landscape.

- Actions in areas of special biodiversity/nature interest – measures to promote biodiversity in such areas are many and diverse and include postponing mowing dates to protect nests, the establishment of buffer strips and input reduction. There may be secondary positive effects on water quality and quantity.

- Genetic diversity – this measure type concerns the rearing of rare local breeds indigenous to the area and in danger of being lost to farming and the preservation of plant genetic resources naturally adapted to the local and regional conditions and under threat of genetic erosion.

- Farmed landscape – it refers to maintaining farming system which lead, as a side effect, to characteristic landscape. Such measures generally have positive impacts on biodiversity.

- Water use reduction measures – these are designed to preserve water resources by reducing irrigation and/or reducing water loss from the soil by growing ground cover.

2. Measures related to non-productive land management:

- Set aside – set- aside managed for environmental purposes could be expected to have positive impacts on biodiversity, water quality and soil erosion. Measures include both large areas of set-aside and small ones such as uncultivated field strips. It is worth noting that set-aside, in order to have positive environmental effects, must be implemented according to site-specific circumstances and often needs to be combined with appropriate management.

- Upkeep of abandoned farm land and woodland – this can be expected to be positive for biodiversity by continuing to provide habitats for farming-dependent species of plants and animals, and it will be positive for the landscapes. It may also help avoid fires and this in turn is positive for biodiversity and soil erosion.

- Maintenance of the countryside and landscape features – this category seeks to protect landscape features such as linear features (hedges, stone walls) and point features (isolated trees, ponds). These measures will very often have positive impacts not only on landscape, but also on biodiversity.

- Public access – this category of measures seek to provide access for the public to agricultural land of environmental interest.

Rural Development policy 2007-2013

On 20 February 2006 the Agriculture Council adopted EU strategic guidelines for rural development. This guidelines set out a strategic approach and a range of options which Member States could use in their national strategy plans and Rural Development programmes.¹

The guidelines aim at the integration of major policy priorities as spelt out in the

¹ Council Decision on 20 February 2006 on Community strategic guidelines for rural development (programming period 2007 to 2013), (2006/144/EC);

conclusions of the Lisbon and Goteborg European Councils. On the basis of these strategic guidelines, each Member State will prepare its national strategy plan as the reference framework for the preparation of rural development programmes. This strategic guidelines are:

- a) Improving the competitiveness of the agricultural and forestry sectors;
- b) Improving the environment and the countryside;
- c) Improving the quality of life in rural areas and encouraging diversification;
- d) Building Local Capacity for Employment and Diversification
- e) Translating priorities into programmes
- f) Complementarity between Community Instruments.

The future Rural Development policy 2007-2013¹ will focus on three areas in line with the three thematic axes laid down in the new rural development regulation: improving competitiveness for farming and forestry; environment and countryside; improving quality of life and diversification of the rural economy. A fourth axis called "Leader axis" based on experience with the Leader Community Initiatives introduces possibilities for locally based bottom-up approaches to rural development.

Leader+

Leader+ is one of four initiatives financed by European Union structural funds and is designed to help rural actors consider the long-term potential of their local region. Encouraging the implementation of integrated, high-quality and original strategies for sustainable development, it has a strong focus on partnership and networks of exchange of experience. A total of EUR 5046.5 million for the period 2000-2006 has been spent, of which EUR 2.105,1 million was funded by the EAGGF Guidance section and the remainder by public and private contributions.

Leader will be in 2007-2013 in its fourth generation after the implementation of Leader I, Leader II and Leader+ initiatives. Currently, under Leader+. 893 LAGs (Local Action Groups) operate in the EU-15. In the EU-10, a similar measure has been implemented in six of the new Member States with more than 100 LAGs foreseen. In the EU-15, around 52 million people are covered by the territories where the local action groups are implementing their local development strategies.

Leader+ is structured around three actions, in addition to technical assistance:

- Action 1: support for integrated territorial development strategies of a pilot nature based on a bottom-up approach. Implementation of Action One is through Local Action Groups selected in an open procedure based on the criteria laid down in the programmes. These include the rural nature of the territories, their homogeneity in physical, economic and social terms, and integrated and innovative development plans. Economic and social partners and associations must make up at least 50 % of the local partnership, and the relevance and effectiveness of this partnership is also taken into account.
- Action 2: support for cooperation between rural territories. This action applies to

¹ Council Regulation (EC) No. 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development, OJ L 277, 21.10.2005;

rural territories selected under action 1 (integrated rural development strategies) and is implemented under the responsibility of a coordinating LAG. It expressly provides for the encouragement and support for cooperation between rural territories, and foresees cooperation taking place between regions in the same Member State (interterritorial cooperation) and between at least two Member States (transnational cooperation).

- Action 3: networking. In each Member State a National Network Unit exists to: collect, analyse and disseminate information at the national level on good practice; organise the exchange of experience and know-how; and provide technical assistance for cooperation (as above). Active participation in the network is mandatory for Leader+ local action groups.

Taking into account the particular characteristics of the initiatives, the evaluation of Leader+ involves several levels of implementation and target definition:

a) At the European level, there are a series of overall and specific objectives that must be considered when implementing the programme. The way in which these objectives have been taken into account in the elaboration of the programme makes part of the ex ante evaluation;

b) At national/regional level for each of the programmes, there must be a definition of the specific objectives for the implementation of Leader+. These objectives which are specific to the programmes presented under the initiative and which aim at specific problems of the territory envisaged are different from, even though complementary to the objectives of the Community initiative. In order to avoid confusion, during the rest of the document they will be referred to as “programme-specific objectives”. The assessment of the coherence, relevance and expected impact of these programme-specific objectives is also an integral part of the ex ante evaluation;

c) Finally, the objective defined at the LAG level should comply with the objectives at the two former levels. Insofar as they are reflected in the selection criteria formulated in the programme, they make part of the ex ante evaluation.

The rural development policy in European Union evolved as part of the development of the CAP, from a policy dealing with the structural problems of the farm sector to a policy addressing the multiple roles of farming in society and, in particular, challenges faced in its wider rural context.

Rural development remains the key tool for the restructuring of the agriculture sector, and to encourage diversification and innovation in rural areas. On the one hand, rural development can help promote competitiveness in the agricultural and food processing sectors. On the other hand, local initiatives, such as Leader, can play an essential role in connecting people to European ideas and encouraging innovation and entrepreneurship.

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