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The EC's approach to rural development,
with an emphasis on pre-accession period

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Unit "Pre-accession assistance to agriculture
and rural development"



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- EC's approach to rural development
- Framework for assistance to pre-accession countries
- State of play - Where do we stand?

EC's approach to rural development




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Why have a RD policy?

More than 91 % of the territory of the EU is "rural"

Home to more than 56 % of the EU's population



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Why have a RD policy?

European countryside gives us food, essential raw materials, is valuable place of beauty, rest and recreation, it acts as our lungs

Rural areas face significant challenges



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Why have a RD policy?

Rural areas face significant challenges

- Average income per head is lower in rural regions than in towns and cities
- Skills base is narrower and the service sector is less developed
- Caring for the rural environment often carries a financial cost



EC's approach to rural development



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EU has a common rural development policy (2007-2013)

- Places considerable control in the hands of individual Member States and regions
- Is funded partly from the central EU budget and partly from individual Member States' national or regional budgets
- Rural development policy has links to a number of other EU-level policies


EC's approach to rural development



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Rural development policy approach

- Thematic
- Strategic
- Flexible
- Integrated




EC's approach to rural development



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Rural development policy focuses on three themes ("thematic axes")

- Improving the competitiveness of the agricultural and forestry sector
- Improving the environment and the countryside
- Improving the quality of life in rural areas and encouraging diversification of the rural economy



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Rural development policy - Strategic

- Council Regulation and Community strategic guidelines set EU-level priorities for rural development
- Each MS submits a national strategy plan and programmes
- MS and the Commission closely monitor and evaluate the results of strategies and programmes




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Rural development policy - Flexible

- Based on the principles of subsidiarity and partnership
- Flexibility in finding a balance between the sectoral dimension (i.e. agricultural restructuring) and the territorial dimension (i.e. land management and the socio-economic development of rural areas)
- Menu of approximately 40 measures is available



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Rural development policy - Integrated

- Demonstrated in its objectives, reflecting economic, environmental and social concerns for agriculture and the wider rural economy
- Same measures may contribute to several objectives



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In practical terms...

Four axes of rural development policy containing about 40 measures

- Improving the competitiveness of the agricultural and forestry sector
- Improving the environment and the countryside
- The quality of life in rural areas and diversification of the rural economy
- Horizontal - the 'Leader approach' - acts as a way of implementing rural development policy

**Rural
Development
2007-2013**

LEADER Axis


**Axis 1
Competi-
tiveness**

**Axis 2
Environment
+
Land
Management**

**Axis 3
Economic
Diver.
+
Quality of
Life**

Single set of programming and other rules

Single Rural Development Fund



EC's approach to rural development



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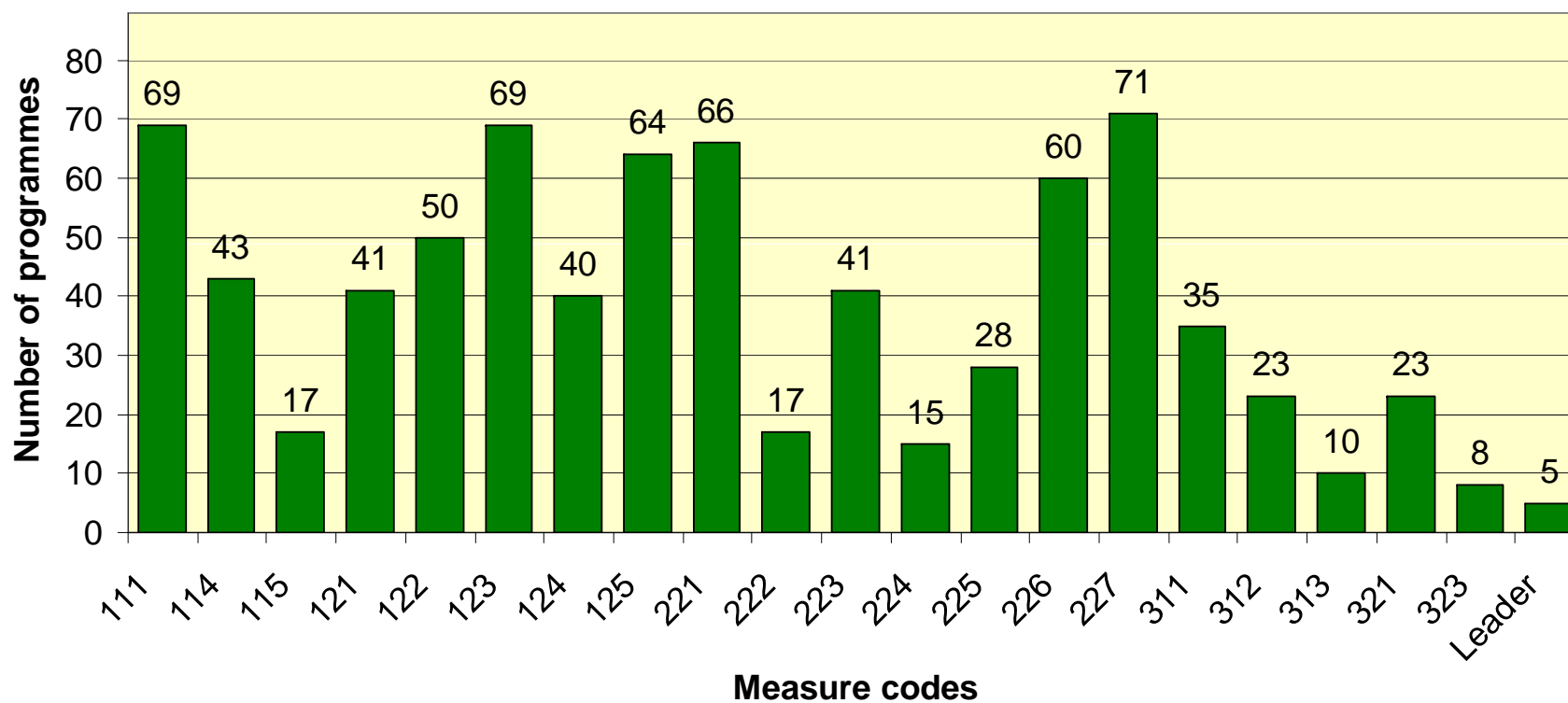
In practical terms...

- 88 national or regional rural development programmes

Regional: 2 for Belgium, 5 for France, 14 for Germany, 21 for Italy, 3 for Portugal, 17 for Spain, 4 for the United Kingdom

- To help ensure a balanced approach, MS and regions obliged to spread their rural development funding between the three axes


The use of forestry and/or bioenergy related measures in 88 RD programmes





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Framework for assistance to pre-accession countries



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Similar, but simplified...

- Legal framework
- Financial provisions



Framework for assistance to pre-accession countries



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- IPA - Integrated Pre-Accession Instrument to assist candidate and potential candidate countries
- It replaces 5 different programmes and instruments: PHARE, ISPA, SAPARD, CARDS and Turkey pre-accession instruments
- Financial envelope allocated for the period 2007-2013 - EUR 10.2 billion

Framework for assistance to pre-accession countries



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- 1. Transition Assistance & Institution Building
- 2. Cross-Border Cooperation

Candidate and potential candidate countries


- 3. Regional Development
- 4. Human Resources Development
- 5. Rural Development (IPARD)

Only candidate countries



Rural development component

- To prepare countries for the implementation and management of the CAP
- Contribute to the sustainable adaptation of the agricultural sector and rural areas
- Three "axes"
- 9 "measures"



Framework for assistance to pre-accession countries



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Axis 1 – Improving market efficiency and implementation of Community standards

- Investments in agricultural holdings to restructure and to upgrade to Community standards
- Support for the setting-up of producer groups
- Investments in the processing and marketing of agriculture and fishery products to restructure those activities and to upgrade them to Community standards



Axis 2 - Preparatory actions for implementation of the agri-environmental measures and local rural development strategies

- Actions to improve the environment and the countryside
- Preparation and implementation of local rural development strategies



Axis 3 – Development of the rural economy

- Improvement and development of rural infrastructure
- Diversification and development of rural economic activities
- Improvement of training
- **Technical assistance** – preparation, monitoring, evaluation, information and control activities for the implementation of the programme

Framework for assistance to pre-accession countries



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Stabilisation and Association Process

Key policy framework for EU relations with the Western Balkans



Stabilisation and Association Agreements

Represents relationship between the EU and each Western Balkan country, entailing mutual rights and obligations



Framework Agreements

General rules for cooperation concerning EC financial assistance to the beneficiary countries




Sectoral Agreements



Sectoral Agreement

- Complements the Framework Agreement
- Only for IPARD
- Includes provisions for fully decentralised management
- Provides detailed rules for the implementation of the rural development programmes under decentralised management after conferral of management to the beneficiary country's authorities
- To be concluded with each candidate country



Framework for assistance to pre-accession countries



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Multi-annual Financing Agreement

- Legal commitment of the Commission in the sense of the financial regulation
- Has to be concluded with each candidate country

Framework for assistance to pre-accession countries



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Multi-annual Indicative Financial Framework (MIFF)
establishes the financial allocation between countries and components

Multi-annual Indicative Planning Document (MIPD)
establishes strategies for each country for the IPA components

Components for specific programming

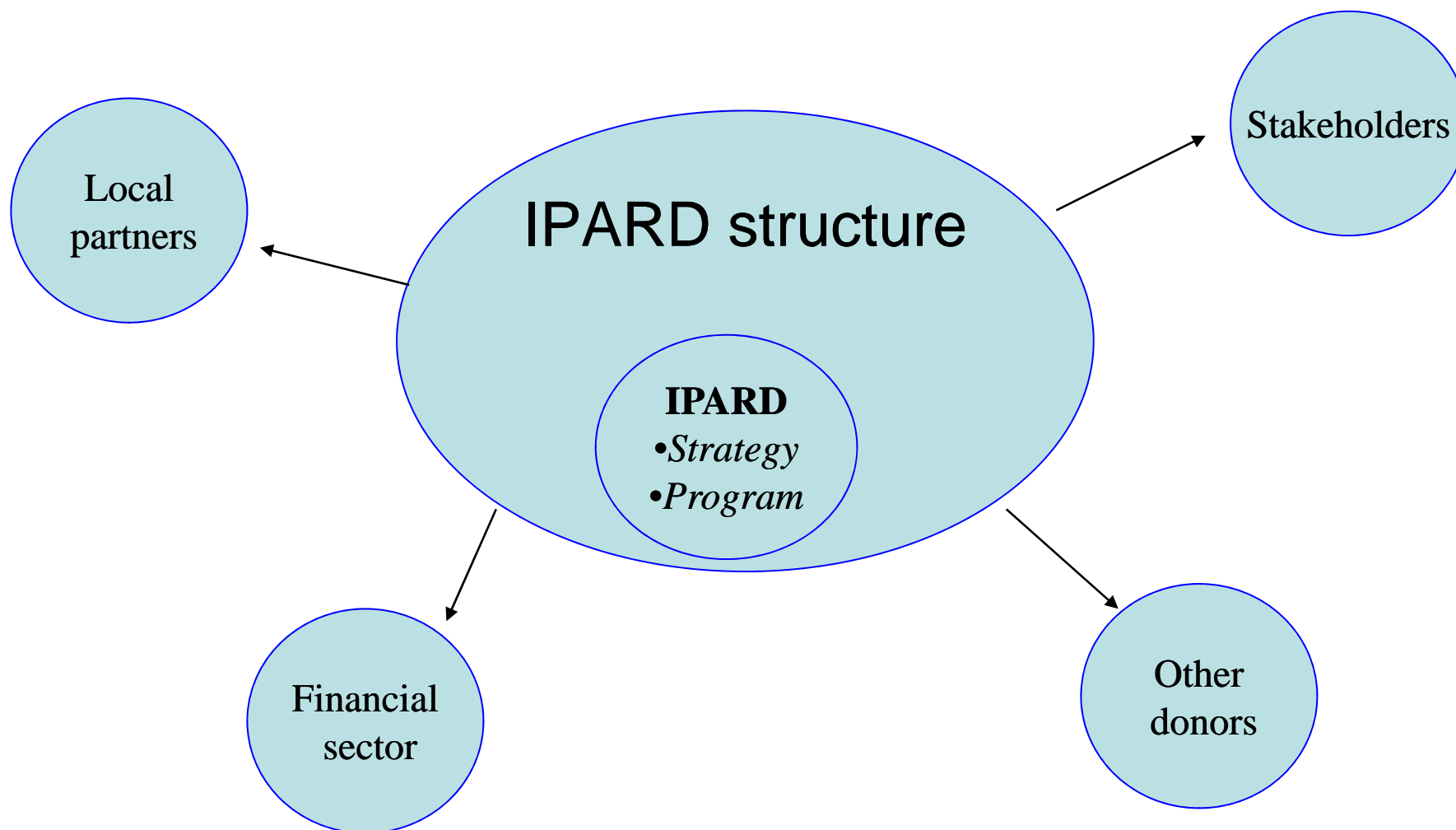
Transition & Institution Building

Regional & Cross-Border Co-op

Regional Development

Human Resources Development

Rural Development



Framework for assistance to pre-accession countries



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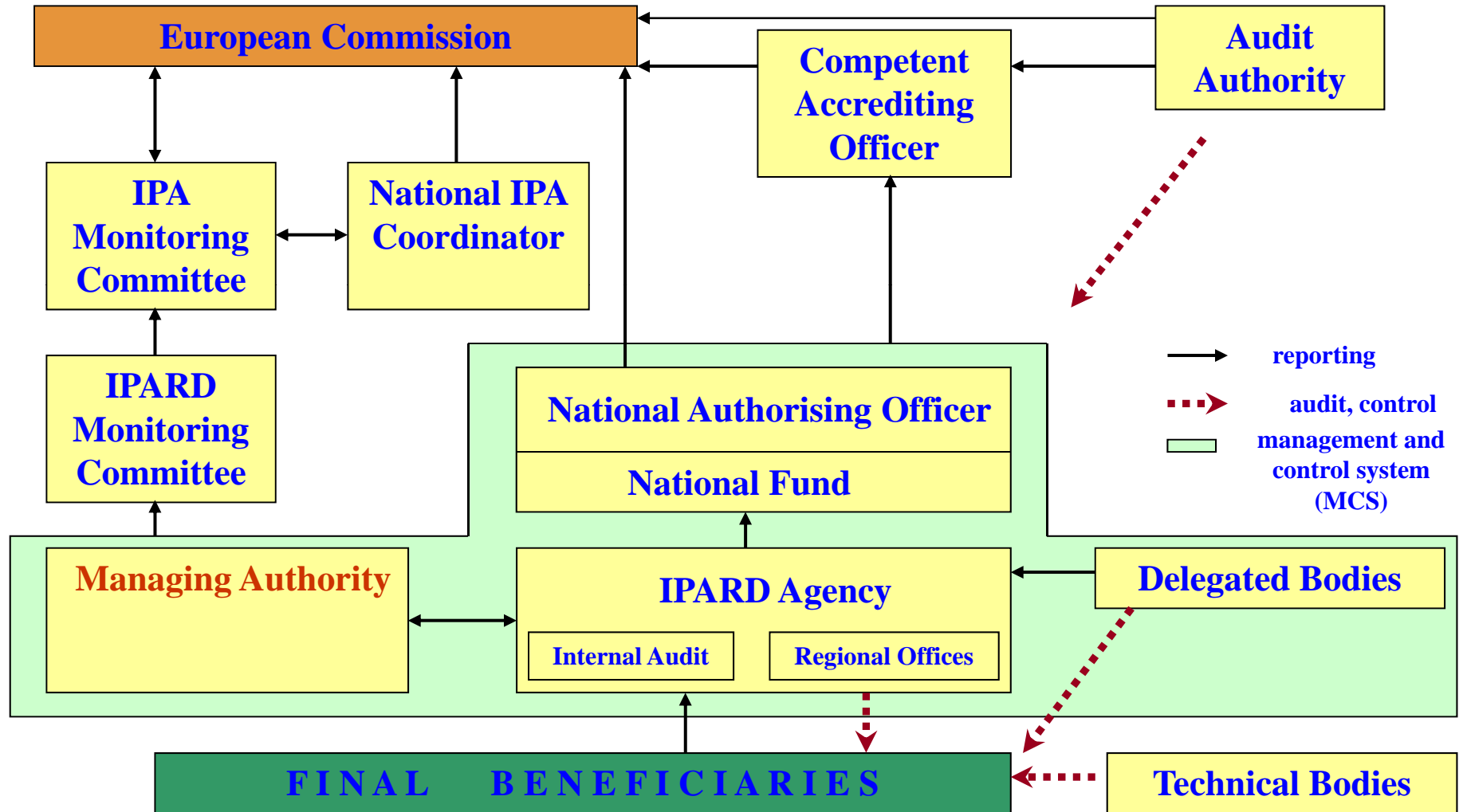
Before implementation of IPARD can start:

- Framework Agreement must be concluded
- Sectoral Agreement must be concluded
- Programme must be adopted
- Conferral of management decision must be adopted

Before financial execution can start:

- Multi-Annual Financing Agreement must be concluded

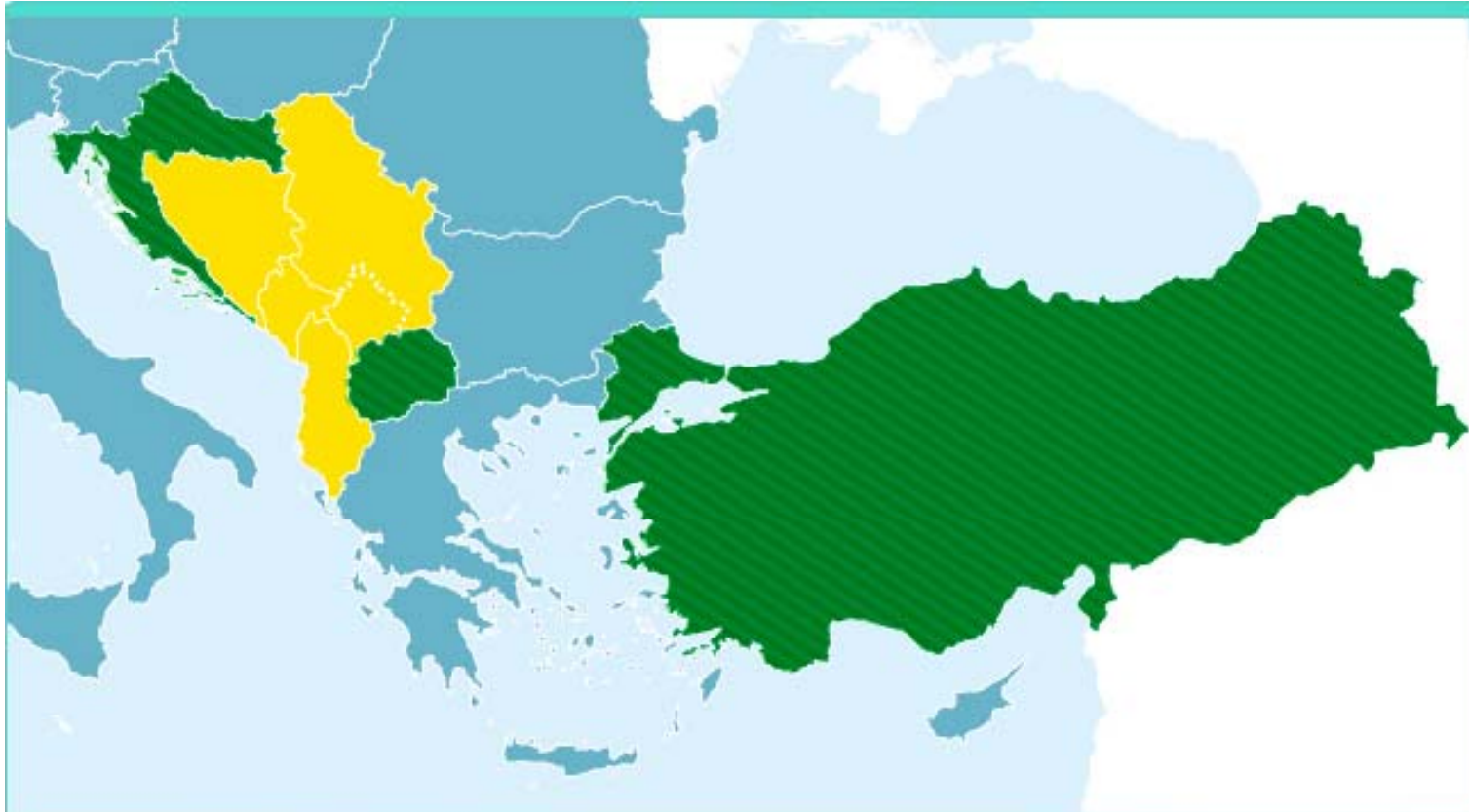
IPARD structures





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Candidate countries - Croatia, Turkey and the former Yugoslav Republic of Macedonia



Potential candidate countries - Albania, Bosnia and Herzegovina, Montenegro, Serbia, and Kosovo under UN Security Council Resolution 1244



State of play



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Our role and objectives

- Financial assistance for contributing to a sustainable development of the farming and rural development structures of the candidate countries
- Ensure that candidate countries' institutions and management capacity are set-up to start implementation of IPARD
- Support administrations in candidate countries to prepare for the implementation of agri-environmental measures and local rural development strategies



Lessons learnt from SAPARD

- Preparation for implementation takes up to 3 years
- Conferral granted within 16-34 months of the start of eligibility for assistance
- Programme implementation (first projects) starts 6-9 months after conferral of management
- Difficulties in focusing programmes on real needs – too many measures



State of play



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Croatia, FYROM, Turkey

- Programmes adopted in February 2008
- Financial allocations in Multi-annual Indicative Planning Document and Multi-annual Indicative Financial Framework made
- Sectoral agreements signed with Croatia and FYROM, in process with Turkey
- Accreditation and conferral of management decision expected in 2009 or 2010

State of play



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Albania, Bosnia and Herzegovina, Montenegro, Serbia, and Kosovo under UN Security Council Resolution 1244

- Institutional and management capacity building to start implementation of IPARD – IPA Component I



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Summary

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Thank you for your attention