

Manual of European Environmental Policy

The following pages are a section from the Manual of European Environmental Policy written by the Institute for European Environmental Policy.

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This section is the text of the Manual as published in 2012. It is therefore important to note the following:

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The Manual should be cited as follows:

Farmer, A.M. (2012) (Editor). Manual of European Environmental Policy. 1043pp. Routledge, London.

European Agricultural Fund for Rural Development

| Formal references | |
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| Council Regulation (EC) No 1698/2005 (OJ L277/1 21.10.2005) | Council Regulation on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) |
| Amended by: | |
| Council Regulation (EC) No 1463/2006 (OJ L277 9.10.2006) | |
| Council Regulation (EC) No 1944/2006 (OJ L367/23 22.12.2006) | |
| Council Regulation (EC) No 2012/2006 (OJ L384/8 29.12.2006) | |
| Council Regulation (EC) No 146/2008 (OJ L46/1 21.2.2008) | |
| Council Regulation (EC) No 74/2009 (OJ L30 31.1.2009) | Amends Council Regulation (EC) No 1698/2005 to take account of the changes agreed under the CAP Health Check in December 2008 |
| Council Regulation (EC) No 473/2009 (OJ L144 9.6.2009) | Allows for the programming of additional funds made available to Member States under the European Economic Recovery Plan (EERP). Also amends Regulation (EC) No 1290/2005 on the financing of the common agricultural policy |
| Regulation (EU) No 1312/2011 (OJ L339 21.12.2011) | Contains provisions relating to financial management for certain Member States experiencing or threatened with serious difficulties with respect to their financial stability |
| Legal base | Articles 42, 43, 349 and 355 |
| Binding dates | |
| Came into force | 20 September 2005, with 2009 amendments applying from 1 January 2009 |
| | Applies to Community support policies from 1 January 2007 |
| Draft Rural Development Programmes to be submitted by | December 2006 |
| Revised Programmes to be submitted by | 30 June 2009 |
| End of plan period | 31 December 2013 |
| Commission Regulation (EC) No 1974/2006 (OJ L368 23.12.2006) | Commission Regulation laying down detailed rules for the application of Council Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) |
| Amended by: | |

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| Commission Regulation (EC) No 434/2007 (OJ L104/8 21.4.2007) | |
| Commission Regulation (EC) No 1236/2007 (OJ L280/3 24.10.2007) | |
| Commission Regulation (EC) No 1175/2008 (OJ L318/6 28.11.2008) | |
| Commission Regulation (EC) No 363/2009 (OJ L111/5 5.5.2009) | 2009 amendments to take account of the changes agreed under the CAP Health Check in December 2008 |
| Commission Regulation (EC) No 482/2009 (OJ L145/17 10.6.2009) | |
| Commission Regulation (EU) No 108/2010 (OJ L36 9.2.2010) | Amendment to Commission Regulation (EC) No 1974/2006 with regards to Directive 2000/60/EC . |
| Commission Implementing Regulation (EU) No 679/2011 (OJ L185 15.7.2011) | Amendments to clarify rules for investments in renewable energy production, the duration of multi-annual commitments to avoid overlapping with the following programming period and clarity on rules for eligible expenditure for investment operations |
| Binding dates | |
| Came into force | 24 December 2006 |
| Commission Regulation (EC) No 65/2011 (OJ L25/8) | |
| Repeals Commission Regulation (EC) No 1975/2006 and subsequent amendments | Commission Regulation laying down detailed rules for the implementation of Council Regulation (EC) No 1698/2005 , as regards the implementation of control procedures as well as cross-compliance in respect of rural development support measures |
| Amended by: | |
| Commission Implementing Regulation (EU) No 147/2012 (OJ L28 21.02.2012) | |
| Binding dates | |
| Came into force | 20 February 2006 |
| Council Decision 2006/144/EC (OJ L 55 25.2.2006) | |
| Amended by: | |
| Council Decision 2009/61/EC (OJ L30 31.1.2009) | Council Decision on Community strategic guidelines for rural development (programming period 2007 to 2013) |
| | Amendment takes account of the introduction of ‘new challenges’ as priorities as part of the CAP Health Check agreement in December 2008 |
| Binding dates | |
| Came into force | 20 February 2006 |

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| Council Decision 2006/493/EC (OJ L 195/22 of 15.7.2006) | |
| Amended by: | |
| Council Decision 2008/584/EC (OJ L 26 16.7.2008) | Council Decision laying down the amount of Community support for rural development for the period from 1 January 2007 to 31 December 2013, its annual breakdown and the minimum amount to be concentrated in regions eligible under the Convergence Objective |
| Council Decision 2009/434/EC (OJ L 25 9.6.2009) | |
| Binding dates | |
| Came into force | 15 July 2006 |
| Commission Decision 2009/444/EC (OJ L148 11.6.2009) | Commission Decision of 10 June 2009 allocating the amounts resulting from the modulation provided for in Articles 7 and 10 of Council Regulation (EC) No 73/2009 to the Member States for the years 2009–2012 |
| Binding dates | |
| Came into force | Applies to Council Regulation 73/2009 which came into force on 1 February 2009 and applies from 1 January 2009 |
| Council Regulation (EC) No 378/2007 (OJ L95 5.4.2007) | Regulation laying down rules for voluntary modulation of direct payments provided for in Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers, and amending Regulation (EC) No 1290/2005 |
| Amended by: | |
| Council Regulation (EC) No 73/2009 (OJ L30 31.1.2009) | |
| Regulation EU No 1231/2011 (OJ L326 8.12.2011) | Aligning Commission powers in line with Articles 290/291 of the TFEU |
| Binding dates | |
| Came into force | 27 March 2007 |
| Decision on voluntary modulation rates by | June 2007 |
| Economic report by | 30 September 2008 |

Purpose of the Regulations

The European Agricultural Fund for Rural Development (EAFRD) is often referred to as the ‘second pillar’ of the Common Agricultural Policy (CAP) or the ‘Rural Development Regulation’ and provides a framework for providing support for farmers, foresters and other rural actors for undertaking activities that contribute to sustainable rural development. The main objectives of the fund are to improve the competitiveness of agriculture and forestry; to improve the environment and countryside by supporting land management; and to improve the quality of life in rural areas and encourage diversification.

Council Regulation (EC) No 1698/2005 sets out this framework for the programming period 2007–2013. Council Regulation (EC) No 1974/2006 is known as the ‘Implementing Regulation’ and sets out the detailed rules on how the EAFRD should be implemented, and includes requirements for monitoring and evaluation according to the Common Monitoring and Evaluation Framework (CMEF). The Community strategic guidelines (Decision 2006/144/EC) identify the areas important for the realization of Community priorities and identify a series of strategic objective options which Member States are required to address in their National Strategy Plans and Rural Development Programmes. These pieces of legislation were all amended during 2009 to take account of decisions made under the CAP Health Check in December 2008, which set out a suite of ‘new challenges’ to be met through rural development policy and agreed additional funding to be made available to Member States through compulsory modulation for this purpose.

Council Decision 2006/493/EC sets out the levels of community support available over the programming period, with Commission Decision 2009/444/EC setting out the additional amount of funding available from the compulsory modulation of decoupled direct payments (provided for under Council Regulation (EC) No 73/2009), and Council Regulation (EC) No 378/2007 providing the legal basis for additional support to be provided for rural development for particular Member States through voluntary modulation.

Summary of the Regulations

Council Regulation (EC) No 1698/2005

The Rural Development Regulation provides the legal basis for rural development funding for the period 1 January 2007–31 December 2013. It contains a suite of measures, combinations of which are implemented through Rural Development Programmes developed at the Member States/Region level to meet the particular economic, social and environmental needs of rural areas. All funding from the EAFRD budget must be co-financed by Member States. Only one measure, the agri-environment measure, is compulsory.

Regulation (EC) No 1698/2005 is divided into nine sections. Under Title I, ‘Objectives and general rules on assistance’ the main objectives of the Regulation are set out. Title II outlines the strategic approach to rural development that should be taken by Member States. Title III describes the rural development programmes through which each Member State will implement the Regulation. Title IV lists the specific rural development support measures, which are based around four axes of rural development. Title V details the EAFRD contribution to the different axes of the Regulation. The respective responsibilities of the Commission, Member States and managing authorities are described in Title VI. Title VII describes the procedures for monitoring and evaluation of implementation of the Regulation. Title VIII outlines the rules on state aid towards rural development funding. Title IX describes the transitional and final provisions for implementing the Regulation.

Title IV – Rural development support

This section outlines the measures, grouped under four axes, which are eligible for rural development funding:

- **Axis 1: Improving the competitiveness of the agricultural and forestry sector** – Measures are as follows: vocational training and information actions; setting up of young farmers; early retirement for farmers and farm workers; use of advisory services by farmers and forest holders; setting up of farm management, farm relief and farm advisory services and forestry advisory services; modernization of agricultural holdings; improving the economic value of forests; adding value to agricultural and forestry products; cooperation for development of new products, processes and technologies; improving and developing infrastructure related to the development and adaptation of agriculture and forestry; restoring agricultural production potential damaged by natural disasters and introducing appropriate prevention actions; helping farmers to adapt to demanding standards based on Community legislation; supporting farmers who participate in food quality schemes; supporting producer groups for information and promotion activities for products under food quality schemes; supporting semi-subsistence agricultural holdings undergoing restructuring; supporting setting up of producer groups.
- **Axis 2: Improving the environment and the countryside**

Axis 2 contains measures for both forestry and agriculture:

- Agricultural measures: natural handicap payments to farmers in mountain areas; payments to farmers in areas with handicaps other than mountain areas; payments to compensate for restrictions imposed in Natura 2000 areas (in relation to Council Directive [79/409/EEC](#) and [92/43/EEC](#)) and payments linked to Council Directive [2000/60/EC](#); agri-environment payments; animal welfare payments; support for non-productive investments.
- Forestry measures: first afforestation of agricultural land; first establishment of agroforestry systems on agricultural land; first afforestation of non-agricultural land; Natura 2000 payments; forest–environment payments; restoring forestry potential and introducing prevention actions; non-productive investments.
- **Axis 3: The quality of life in rural areas and diversification of the rural economy** – measures are as follows: diversification into non-agricultural activities; support for the creation and development of micro-enterprises with a view to promoting entrepreneurship and developing the economic fabric; encouragement of tourism activities; basic services for the economy and rural population; village renewal and development; conservation and upgrading of the rural heritage; training and information; skills acquisition and animation with a view to preparing and implementing a local development strategy.
- **Axis 4: Leader approach** – this is a bottom-up approach to rural development, whereby projects are developed and managed locally to meet the needs of local areas. Support is available for the implementation of local development strategies; the implementation of cooperation projects; and the running of the local action group, providing information, training staff running promotional events, and networking between local partnerships. This approach can be used to deliver actions under the other three axes.

Under the CAP Health Check in December 2008 a suite of ‘new challenges’ or priorities were specified, which Member States are required to address within their Rural Development Programmes using the additional funds made available by the increase in the rates of compulsory modulation (see Financial Arrangements below). These priorities are climate

change; renewable energies; water management; biodiversity; measures accompanying restructuring of the dairy sector; and innovation linked to the environmental priorities listed. Council Regulation (EC) No 74/2009 amends the EAFRD to take account of this agreement and requires Member States to revise their Rural Development Programmes in accordance with these requirements.

In addition, under the European Economic Recovery Plan, approved on 11 and 12 December 2008, €1,020 million was made available to Member States through the EAFRD to be used to develop broadband Internet in rural areas and to strengthening the new priorities identified within Council Regulation (EC) No 74/2009. Council Regulation (EC) No 473/2009 amends the EAFRD to include provisions for Member States to revise their Rural Development Programmes accordingly.

Council Decision 2006/144/EC

The ‘Community Strategic Guidelines for Rural Development (programming period 2007 to 2013)’ were adopted in February 2006 through Council Decision 2006/144/EC. This Decision attempts to ensure that the rural development programmes developed by each Member State are closely aligned with overarching Community priorities. These priorities primarily relate to the Göteborg sustainability goals laid down in the EU Strategy for Sustainable Development and the objectives of the Lisbon strategy for growth and jobs. The strategic guidelines also seek to ensure that rural development is consistent with other EU policies, in particular Cohesion Policy and other policies relating to the environment, and provides a suitable fit with the reformed CAP. The six strategic guidelines are:

1. Improving the competitiveness of the agricultural and forestry sectors.
2. Improving the environment and the countryside.
3. Improving the quality of life in rural areas and encouraging diversification of the rural economy.
4. Building local capacity for employment and diversification.
5. Ensuring consistency in programming.
6. Complementarity between Community instruments.

Council Decision 2009/61/EC amends the Community Strategic Guidelines for Rural Development to reflect the ‘new challenges’ identified as priority areas to be addressed by Rural Development Programmes under the CAP Health Check Agreement in December 2008.

Council Regulation (EC) No 1974/2006

Council Regulation (EC) No 1974/2006 is known as the ‘Implementing Regulation’ and sets out the detailed rules on how the EAFRD should be implemented, including rules for developing National Strategy Plans and Rural Development Programmes, the details of what is eligible for support under each measure, as well as requirements for monitoring and evaluation according to a Common Monitoring and Evaluation Framework (CMEF), and for the administration of the Rural Development Programmes over the programming period.

The Common Monitoring and Evaluation Framework (CMEF) provides a single framework for monitoring and evaluation of all rural development interventions for the programming period 2007–2013. The CMEF establishes means for improving programme performance,

ensuring the accountability of programmes and allowing an assessment of the achievement of established objectives. It consists of a suite of common indicators (baseline, output, result and impact indicators) against which all Member States must report and to which additional indicators can be added relevant to specific national or regional circumstances. These indicators are included in Annex VIII of the Implementing Regulation.

A set of documents that sets out all the requirements of the CMEF has been drawn up by the Commission and agreed with Member States. These documents have been put together in a handbook which includes a series of evaluation guidelines and guidance fiches on the common indicators for monitoring and evaluation.

On 8 February 2010 the Commission published Regulation (EC) 108/2010 amending Regulation (EC) 1974/2006. The amending Regulation lays out requirements for support received under Regulation (EC) 1698/2006 in relation to the costs incurred and income foregone that result from disadvantages linked to specific requirements included under the Water Framework Directive [2000/60/EC](#) (see section on the Water Framework Directive).

Financial arrangements

On 19 June 2006, the Agriculture Council confirmed the overall allocation of rural development funds, and on 12 September these were formally allocated to individual Member States through Commission Decision [636/2006/EC](#). This budget and individual allocations for Member States were revised by Commission Decision [2008/609/EC](#) to include allocations to Bulgaria and Romania as well as increases to the UK's allocation. The EAFRD budget, before funds from modulation are added, amounts to €79 billion. The Commission allocated the rural development budget for 2007–2013 for the EU-15 based on the historic share received by each Member State from the European Agricultural Guidance and Guarantee Fund for rural development and Leader over the 2000–2006 period. In addition, specific amounts, totalling about 5 per cent of the overall budget, were allocated to eight Member States at the European Council in December 2005 when the Financial Perspectives for 2007–2013 were agreed. Certain amounts have also been reserved for particular regions according to the EU's convergence objectives. Two-thirds of the total EAFRD budget will be directed to the EU-15 and the EU-10 will receive one-third of the budget.

The rural development budget for each Member State is increased by the process of compulsory modulation whereby a proportion of funds are transferred from Pillar One of the CAP to the EAFRD. Compulsory modulation was introduced in 2005, set at 3 per cent increasing to 5 per cent by 2007. Following the CAP Health Check in 2008, the basic rate of compulsory modulation will increase to 10 per cent by 2012, with those farmers in receipt of more than €300,000 in direct payments liable for an additional 4 per cent on payments above this threshold. The first €5,000 a farmer receives is exempt from compulsory modulation, known as a 'franchise'. Funds raised through compulsory modulation are redistributed across Member States according to a set of objective criteria; however, all Member States are guaranteed to receive back at least 80 per cent of the sums raised within their country. This does not apply to the additional rates agreed as part of the Health Check. As a result, over the 2007–2013 programming period, compulsory modulation will result in a transfer of approximately €12 billion from Pillar One to the EAFRD, taking the total EAFRD budget to €91 billion. National co-financing is required for all Pillar Two expenditure, and this increases the budget available for Pillar Two by a further €58 billion over the 2007–2013 period, leading to a total of €149 billion. The additional funds available to Member States to

use in EAFRD as a result of the changes in the rates of modulation under the CAP Health Check are set out in Commission Decision 2009/444/EC.

Council Regulation (EC) No 378/2007 sets out the rules for voluntary modulation, which came into force in March 2007 after fierce opposition from the European Parliament and some Member States. The Regulation recognizes that certain Member States are facing particular difficulties in financing their rural development programmes under the financial provisions provided by the EAFRD and agreed EU wide rates of compulsory modulation. Only those Member States where voluntary modulation was applied prior to 2005 under Commission Regulation (EC) No 1655/2004, or which were granted a derogation from the requirement to co-finance Community support by virtue of Article 70(4a) of Council Regulation (EC) No 1698/2005, can apply voluntary modulation under Council Regulation (EC) No 378/2007. All reductions of direct payments applied in respect of voluntary modulation are additional to those resulting from the application of compulsory modulation. Under the terms of this Regulation, voluntary modulation is permitted in two Member States, Portugal and the United Kingdom. These countries will apply a single rate of voluntary modulation per calendar year with the maximum rate being 20 per cent. The rate of voluntary modulation may be differentiated across regions within each Member State. Under the Regulation, those Member States applying voluntary modulation are required closely to monitor the impact of implementation and as such were required to submit a report on the economic situation of farms to the Commission by 30 September 2008. The increases in the rate of compulsory modulation as a result of the CAP Health Check agreement require that the increase in compulsory modulation must be mirrored by a concomitant reduction in the rate of voluntary modulation.

Development of the Regulations

Council Regulation (EC) No 1698/2005 is the most recent of a succession of policy instruments aimed at providing farmers, foresters and other rural actors with support in return for carrying out specific actions rather than as income support. Such measures have formed part of the CAP since the 1970s and have never been wholly funded from the CAP budget, requiring an element of national co-financing. Initially, the various different schemes which made up Community policy were governed by individual Regulations or Directives, such as those concerned with aid for farmers in less favoured areas. Over time, there has been a tendency to bring them together in omnibus Regulations which include a number of common rules. The EAFRD continues this trend by combining the various aspects of funding for rural development into one fund.

The EAFRD replaces Council Regulation (EC) No [1257/1999](#) which covered rural development funding for the period 1 January 2000–31 December 2006. This Regulation represented a new approach which sought to create a new commitment to rural development within the CAP, following the philosophy espoused at the major EU conference on rural development in Cork in 1996. The intention of what became known as the Agenda 2000 reforms, was to provide support for a greater variety of activities in the countryside, reaching beyond agriculture and forestry, and covering as much of the rural area as possible and was intended to offer an alternative to the production-related farm policies of the time. It combined measures that had previously been governed by a range of different regulations, for example those for improving the efficiency of agricultural structures under Council Regulation (EC) No [950/97](#) and agri-environmental and other measures under Council Regulation (EEC) No [2078/92](#). At the same time, the common framework was strengthened,

the financial arrangements changed and a new system, requiring the production of rural development programmes by each Member State was introduced. In a separate development, a new ‘common rules’ Council Regulation (EC) under the CAP, No [1259/1999/EC](#), allowed Member States to increase the funds available to them domestically for rural development plans, via modulation.

Some of the philosophy behind the Commission's proposals was set out in the documents which made the case for a substantial rural development initiative as part of the Agenda 2000 reforms. In the event, there was strong opposition from some Member States to a large-scale transfer of funding from production support to rural development and the budget attached to the new Regulation was tightly constrained in the negotiations which led to the Agenda 2000 agreement. Nonetheless, the Commission was able to defend the concept of an integrated measure, which potentially could be expanded over time to account for a larger share of the CAP budget and merit the title of a ‘second pillar’.

The simultaneous agreement and entering into force of the common rules Council Regulation (EC) No 1259/1999, as part of the Agenda 2000 package, enabled those Member States which supported the Commission's longer term vision for CAP reform to use the modulation mechanism to begin to shift resources from production to rural development. The United Kingdom was one of the few Member States to use this option of modulation, and applied relatively modest modulation rates, increasing from 2.5 per cent in 2001 to 4.5 per cent by 2006. However, even a modest application of modulation such as this significantly increased rural development expenditure in the United Kingdom between 2000 and 2006.

As part of the overall ‘Mid-Term Review’ of the CAP, the EU agreed changes in rural development policy and associated European Agricultural Guidance and Guarantee Funds (EAGGF). These included significant amendments to Council Regulation (EC) No 1257/1999, broadening its scope, with greater emphasis on achieving improved food quality and farm animal welfare and on assistance for farms adapting to Community standards on the environment, public, animal and plant health and occupational safety. These developments were reflected in the amending Council Regulation (EC) No [1783/2003](#).

The reform of the CAP in June 2003 introduced major changes which were considered likely to have a significant impact on the agriculture sector across the whole rural territory of the European Community. In light of these reforms, and with the start of a new programming period, the EAFRD was introduced, replacing Council Regulation (EC) No 1259/1999.

Implementation of the Regulations

Development of National Strategy Plans and Rural Development Programmes

Each Member State is required to produce a Rural Development Programme which will implement the Regulation using the measures defined in Title IV of the EAFRD. Some Member States develop their Rural Development Programmes at the regional level (e.g. Belgium, France, Germany, Italy, Spain, the United Kingdom). There are therefore a total of 88 Rural Development Programmes in operation in the EU-27, with an additional two national framework programmes and four network programmes that do not have any budget attached to them. Before developing their Rural Development Programmes, Member States

are required to develop and submit a national strategy plan. These plans set out, at a strategic level, the priorities that are to be addressed within the Rural Development Programmes, demonstrating how these meet the objectives set out within the Community Strategic Guidelines; the evidence base underpinning the approach taken, the anticipated expenditure across the Rural Development Programme's objectives and information on how funding will be coordinated.

Member States were required to submit draft Rural Development Programmes for 2007–2013 for Commission approval by the end of 2006, but due to delays in the Council's adoption of the voluntary modulation Regulation, the first programmes were not approved until summer 2007, with all programmes approved by summer 2008. As a result of the CAP Health Check agreement, Member States were required to submit revised Rural Development Programmes to the Commission for approval by 30 June 2009, in which they had to demonstrate how they intended to use the additional funding from both the increased rates of compulsory modulation and the additional funding from the European Economic Recovery Plan to meet the 'new challenges' of climate change, renewable energy, water management, biodiversity, restructuring of the dairy sector; and innovation.

Allocations of the agreed EAFRD budget between Member States are set out in Council Decision 2006/493/EC. The EAFRD requires that a minimum of 10 per cent of this total is spent on Axis 1 and Axis 3 and at least 25 per cent on Axis 2. At least five per cent of the EAFRD contribution will be reserved for Axis 4 and delivered through the Leader approach. Funding from the EAFRD and compulsory modulation must be matched by a contribution from the Member State, and the minimum levels of co-financing required are set out in Article 70 of the EAFRD Regulation. This leaves a significant degree of flexibility for Member States to use different packages of measures to meet their specific needs. Official budget figures show that, for example, the proportion of the EAFRD budget (before national co-financing) allocated to measures to 'improve the environment and the countryside' under Axis 2 ranges from over 70 per cent in Austria, Finland, Ireland and the United Kingdom to under 30 per cent in Bulgaria, Latvia, Malta and Romania.

In December 2011, agreement was reached that permitted a temporary increase in the level of EU co-financing available to those Member States most affected by the economic downturn in order to help boost their economic recovery ([Regulation \(EU\) 1312/2011](#)). This allows Member States to apply for a derogation that allows the level of EU co-financing to be increased to a maximum of 95 per cent in convergence regions and 85 per cent elsewhere. Member States must meet a number of conditions to be eligible to apply which relate to them being provided with financial assistance under various EU stabilisation mechanisms.

Monitoring and Evaluation

All rural development programmes are monitored against a set of common indicators set out within the Common Monitoring and Evaluation Framework (CMEF). All Managing Authorities (the body overseeing the implementation of the rural development programme) are required to report to the Commission on 30 June each year on the implementation of the programme, including progress of the programme in relation to the objectives and targets set on the basis of the CMEF output and result indicators.

All Managing Authorities are required to carry out an ex ante evaluation as part of the process of drawing up its rural development programmes. This aims to optimize the

allocation of budgetary resources and improve the overall quality of the programme. The evaluation is expected to identify and appraise the medium- and long-term needs, the goals to be achieved, the results expected, the quantified targets in relation to the anticipated impact in relation to the baseline situation, the Community value-added, the extent to which the Community's priorities have been taken into account, the lessons drawn from previous programming and the quality of local procedures for implementation, monitoring, evaluation and financial management. Ongoing evaluation of each rural development programme is required during the programming period and the Managing Authority has to provide a summary of evaluation activities to the European Commission's Monitoring Committee on an annual basis. In addition to this a mid-term evaluation and an ex-post evaluation of the programmes are required.

Enforcement and court cases

No infringement cases have reached the European Court of Justice.

Future developments

December 2013 marks the end of the current seven-year Financial Perspective and a new Regulation will need to come into force from 1 January 2014 to provide the legislative underpinning for rural development programmes in Member States. The Commission's Communication on a post-2013 CAP was published in November 2010 ([COM\(2010\)672](#)) and legislative proposals were published on 12 October 2011. [COM\(2011\)627](#) sets out the proposals for the future European Agricultural Fund for Rural Development (EAFRD). The core objectives remain similar to those that exist currently, namely to contribute to the competitiveness of agriculture; the sustainable management of natural resources and climate action; and a balanced territorial development of rural areas. These strategic objectives are reflected in six priorities for action, which are set out as:

1. Fostering knowledge transfer in agriculture, forestry and rural areas;
2. Enhancing the competitiveness of all types of agriculture and enhancing farm viability;
3. Promoting food chain organisation and risk management in agriculture;
4. Restoring, preserving and enhancing ecosystems dependent of agriculture and forestry;
5. Promoting resource efficiency and supporting the shift towards a low-carbon and climate resilient economy in the agriculture, food and forestry sectors; and
6. Promoting social inclusion, poverty reduction and economic development in rural areas.

In addition, 'caring for the environment' and 'contributing to climate change mitigation and adaptation' are proposed as common goals, which all aspects of future RDPs must reflect adequately through their actions under all priorities.

A new element of the proposals is the introduction of a new initiative, the European Innovation Partnership (EIP) for agricultural productivity and sustainability (see also [COM\(2012\)79](#)). This contains two headline targets which are: to reverse the trend of diminishing productivity gains by 2020; and to increase the sustainability of agriculture, to secure soil functionality at a satisfactory level by 2020.

A Common Strategic Framework to inform the delivery of all EU funds is planned, rather than the focus on single funds as is currently the case. On 14 March 2012, the Commission unveiled ‘elements’ for the CSF 2014-2020 in the form of a Staff Working Document ([SWD\(2012\)61](#)). This sets out the Commission’s thinking on the priority actions to be promoted under a range of thematic objectives. Relevant to the EAFRD are the objectives of climate adaptation and risk prevention and the protection of the environment and resource efficiency.

The Commission's proposals for the next Multi-annual Financial Framework ([COM\(2011\)500](#)) were published in June 2011 and proposed a total budget for rural development for the 2014-2020 period of €89.9 billion, representing a decline in real terms.

Related legislation

The EAFRD is not the only fund that is available for rural areas of the EU. Other funding can come from the Structural Funds especially the European Regional Development Fund.