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CEMR

Contribution to the debate on

**The Common Agricultural Policy post
2013**

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CEMR Contribution to the Debate on the CAP post 2013

I. CEMR's response to the four general questions

Introduction

1. CEMR welcomes the public consultation on the future of the Common Agriculture Policy (CAP). As the European umbrella organisation of local and regional governments, we support sustainable European policies for both agriculture and rural development.
2. We regret however that the consultation focuses mainly on the first pillar of the CAP, which concerns the production and sale of European agricultural products and does not explicitly address rural development, the second pillar of CAP. Therefore, we believe that the results of the consultation will not provide a complete picture.
3. CEMR's interest in the Common Agricultural Policy focuses on its role to support economic development and diversification in rural areas to contribute to a healthy and green environment, including actions in relation to the climate, in order to deliver positive changes for rural communities including individuals and the full range of rural employers.
4. In the current financial perspective (2007 – 2013), the budget for rural development has been reduced and most Member States did not allocate a high percentage to local development measures (Axis 3 in the European Agricultural Fund for Rural Development) on a voluntary basis. Therefore we would advocate for an increase of the budget to be allocated to rural development.
5. Furthermore, we call for better involvement of local and regional government in the shaping of the funds. This would allow rural communities to invest in the broader rural economy; to increase their attractiveness; to promote sustainable development; and to generate new employment opportunities.

Why do we need a European Common Agricultural Policy?

6. The Lisbon Treaty requires that the EU supports the development of viable and dynamic rural communities that help ensure sustainable and balanced socio-economic development across Europe. The future CAP also needs to serve that purpose.

7. The European Union's objective is a highly competitive social market economy. This concept however does not yet apply to the Common Agricultural Policy, which has developed a separate system since its conception. CEMR agrees that there is a role for an EU-wide agricultural policy, and CAP also helps to address challenges such as food security, the preservation of the environment and natural resources, smaller and disadvantaged farms, the diversity of farm systems and structures and especially the vitality and development potential of rural areas.
8. Nevertheless, we believe that it is necessary to introduce increasingly more competitive elements in the agricultural policy, without ignoring the specificity of the sector.
9. It is necessary to address questions in relation to food security, food safety, quality and supply on the one hand and to separate the debate about the relevant Common Policies from questions related to environment, landscape, protection of nature and cultural heritage, climate actions, etc.
10. An open debate needs to address the allocation of money and result in a better and balanced way between production and related activities and economic and social rural development.
11. As CAP is publicly funded, it should aim to deliver public goods through outcome-focused spending in a way that achieves a set of well defined objectives.

What are society's objectives for agriculture in all its diversity?

12. Society's objectives for agriculture include the production of healthy and high quality food, environmental improvements, animal welfare, protection of landscape and natural resources, and the conservation of cultural landscape and heritage.
13. The agricultural sector should focus on food security and quality in a sustainable and fair way. Public intervention should continue when in a defined public interest, such as stimulating environmental improvements in food production and land management. The same applies for smaller or disadvantaged farmers, when they provide relevant public goods.
14. There is more to rural economies and rural societies than farming. The CAP should therefore take an increasingly holistic, place-based approach and offer all sectors the opportunity to develop and diversify in rural areas.

Why should we reform the current CAP and how can we make it meet society's expectations?

15. At the heart of the debate about the future of the CAP are the direct payments, which are often criticised for not effectively dealing with the recognised challenges faced by rural territories (related to e.g. climate change, demographic change, energy, economic development). Consequently there is increasing need for reform.
16. The future CAP should strive to contribute to other European goals, policies and strategies such as Europe 2020, sustainable development and territorial cohesion, etc.
17. Promoting economic development and diversification in rural areas is crucial for achieving the wider social and economic objectives.
18. As drivers of local development, local partnerships, and local democracy, local authorities will be central for making rural development work for society as a whole.

What tools do we need for tomorrow's CAP?

19. Rural development would be most successful when it was shaped by local authorities. A partnership approach would allow to design, set up and implement a place based development policy tailored for each region's specificities and different needs.
20. Within the 2nd pillar certain changes could serve rural development better than in the current period, such as:
 - building a local approach driven by bottom-up priorities, led by local authorities and other relevant actors, with a strengthened and broadened LEADER initiative;
 - substantially increasing the proportion of funds supporting rural economic and social development and diversification, including green economy (currently axis 3);
 - simplifying and adjusting procedures to better coordinate rural development with other interventions, such as those financed by the structural funds;
 - targeting funds by modifying Pillar 1 to strategically important sectors, and achieve transformational change in the industry. This support would be linked to practices to enhance competitiveness and sustainability;

II. CEMR's position on the rural development questions

In the light of the future challenges for agriculture and rural areas, what should be the objectives of the rural development policy after 2013?

21. Rural development is a broad and horizontal policy. It has links to almost all sectoral policies (transport, education, healthcare, social care, economic development, spatial planning etc).
22. The future EU rural development policy should ultimately aspire to create balanced economic, social, environmental and cultural development in rural areas across Europe. Within such an approach, rural development needs to fundamentally focus on:
 - economic diversification and development, with a focus on the green economy
 - sustainable land and environmental management
 - action on rural poverty, social exclusion and accessibility
23. Basic conditions for rural development include infrastructure and public services. They should be supported by an EU rural development policy and the legal framework needs to take into account the specificities of rural areas (e.g. public-public cooperation).
24. Rural development policies should also take account of urban-rural links. Towns and rural regions are interconnected in various ways (such as housing, working, recreation, environmental supplies like water and sewage treatment, food, energy etc.). This complex urban-rural network needs to be tackled with an area-based approach. As urban and rural areas become increasingly dependent on each other, policy coherence will become increasingly important.
25. To be effective, rural development policy should pursue a comprehensive, place-based approach that does not focus on farming in isolation, but as one of a number of sectors important for rural development. Building on the good record of the LEADER approach, Local Development Partnerships could therefore be the pillars for a bottom-up implementation of the policy.

What place should rural development occupy, within the future CAP and alongside the other EU policies, to make a meaningful contribution to the future EU priorities?

26. Current EU rural development programmes within the Common Agricultural Policy are relatively isolated and not sufficiently coordinated with other EU policies in rural areas. A better coordinated approach should be sought in the future, particularly with regards to EU Cohesion Policy.

27. European policies for sustainable regional development, employment and competitiveness need to be strengthened, and should continue to cover all regions in Europe, including rural areas.
28. EU rural development and EU regional development must strategically and practically complement each other. A precondition is a clear definition of the funding scope and purpose. That does not necessarily mean merging of funding streams. The important aim is to effectively meet local challenges. Better coordination of EU funding initiatives in local areas and harmonisation of financial and administrative procedures means reducing bureaucracy, duplication, and improving outcomes.
29. More synergies between EU Rural Development Funding and EU Cohesion Funding are needed in order to simplify access to funding for eligible rural communities leading to greater opportunities for local areas to combine all EU funds. The EU should then look to better communicate the full range of initiatives in a single, coherent way.
30. Local authorities are drivers of economic and social change for rural communities, and will be essential for fitting all the pieces together on the ground in order to deliver such a comprehensive approach to place-based rural development.

How can support be better targeted to bring about the most efficient allocation of resources, and thus to maximize the added value of the policy in pursuit of the future EU priorities?

31. The system of the current policy delivery with strategic guidelines at EU level and national strategy plans is in principle adequate. However, the EU regulations should more clearly define how new rural development strategies and programmes delivered by Member States are prepared jointly with local and regional authorities, and that other stakeholders like NGOs and farmers are consulted.
32. Better targeted results could be provided by shifting competencies and responsibilities to the basis of policy delivery. As drivers of economic and social development, local authorities must have a leading role in shaping spending in communities, and could take on the management of a refreshed and reinforced 'axis 3' from the rural development programmes. By building EU funds alongside existing local spending, local partnerships, and local democracy, they are best placed to maximise EU added-value in places.
33. An increasingly devolved approach should be supported by simplified and streamlined processes. There are too many administrative actors that increase costs and use valuable time. A devolved approach could remove layers of bureaucracy and simplify processes, bringing clarity of management function and efficiency savings.

34. To reach improved allocations and a more targeted policy the balance between national and European expenditures needs to be changed. A similar system like in the cohesion policy secures a European added value and a better link between European and national policy. However, the specific situation in poorer Member States has to be taken into account.

In the light of experience to date, is the existing toolkit of measures adequate for meeting the policy objectives? What role should be played by Leader in the future?

35. The toolkit is not quite adequate because important investments or beneficiaries are not eligible. Almost all existing measures are meant for investments or payments for single farms, while revamping the current system requires investments in structures, cooperation, marketing, infrastructure, services and communication.
36. The LEADER approach is a success and should be further strengthened in the future. It is essential that the progress made in the current programme will not be lost. Nevertheless further work has to be done to simplify it and to improve the handling of LEADER by real reduction of bureaucracy and micro-management which impedes upon its capacity to deliver.
37. There is scope to spread the benefits of LEADER further, allowing groups to access finance from across all three axes of the rural development programme. A further developed LEADER could be a sufficient tool, especially if it is adequately financed.
38. The LEADER approach could also be brought forward to other Territorial Cohesion policies of the EU.

How can we develop and improve evaluation methods and the underlying common indicators to best assess policy impact and render results visible without putting too much burden on Member States and beneficiaries?

39. It is essential that all payments should clearly aim to achieve a set of specific and well defined policy objectives. It must be clear what funds are trying to achieve, and the results should be measurable.
40. However, excessive administration is a real barrier for effective and efficient investment of EU money. Administrative burdens dissuade a large majority of local authorities and organisations from accessing funds for the first time.
41. A simple, straightforward and harmonised approach to assessing and meeting objectives should be applied across EU economic development spending.

42. Indicators should be connected to local development plans at local and regional level.
43. CEMR supports yearly strategy debates at the EU and national level which focus on development and change patterns and how to steer these and not on the number of projects and budget expenditure. These debates and their outcomes should be open to the public.

How can the policy be better managed, including better coordination with other policies for the purpose of ensuring a coherent approach in rural areas?

44. There should be greater involvement of local and regional authorities in the strategic planning and implementation of their rural development programmes. Rural development needs to engage the local and regional level in a better way in order to encourage more imaginative and innovative ways which take into account the specific local conditions.
45. A local, place-based approach would ensure a coherent approach. It is easier to avoid sectoral silo-thinking and to ensure a holistic approach on the ground as local authorities are closest to, and know best the needs of their communities.

In what ways can both content and delivery be simplified, so as to facilitate implementation and empower local actors, without compromising the objectives of the policy and sound financial management?

46. On the whole, there are currently too many different organisations involved in managing the various elements of the rural development programmes. This wastes a significant amount of time and money. Processes are needlessly bureaucratic.
47. EU rural development funding should be directly targeted to local areas on the basis of local and regional development plans (with a local or regional scope). A local approach would not only save money, reduce bureaucracy and effectively target interventions locally but also would reinforce the democratic legitimacy of spending and maximise EU added-value.
48. In practice we see that good projects often do not exactly fit into the rural development programmes and thus cannot be supported. The more challenging a new objective, the more flexibility in measures is needed to stimulate creativity, entrepreneurship and enthusiasm.
49. A project that does not lead to success or has to be aborted, does not receive support. This too, scares off innovators. There should be more room for calculated risks.