Session 3: Land consolidation and EU rural development policies - an overview

Richard Eberlin
Land Tenure and Rural Development Officer
FAO Regional Office for Europe and Central Asia
richard.eberlin@fao.org

Bozhana Stoeva
Rural Development Consultant, FAO
bozhanastoeva@gmail.com

LANDNET 2014, 23rd - 25th June, Belgrade

Overview

• Main features of new program
  – EAFRD
  – IPA
• Land consolidation and EAFRD
• Land consolidation and IPA
• Conclusions
Potential support for land consolidation

• **Under revision**
• **Preliminary analysis**
• **Expected 3rd quarter**

---

**EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT - EAFRD**

<table>
<thead>
<tr>
<th>2007 - 2013</th>
<th>2014 - 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Four Axes:</strong></td>
<td><strong>Six priorities for rural development in accordance with the relevant Thematic Objectives of the Common Strategic Framework 2014 - 2020:</strong></td>
</tr>
<tr>
<td>➢ Axis 1: Improving the competitiveness of the agricultural and forestry sector</td>
<td>➢ fostering knowledge transfer and innovation in agriculture, forestry, and rural areas</td>
</tr>
<tr>
<td>➢ Axis 2: Improving the environment and the countryside</td>
<td>➢ enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests</td>
</tr>
<tr>
<td>➢ Axis 3: Improving quality of the life in rural areas and diversification of the rural economy</td>
<td>➢ promoting food chain organizations, processing and marketing of agricultural products, animal welfare and risk management in agriculture</td>
</tr>
<tr>
<td>➢ Axis 4: Leader + and community initiative for rural development</td>
<td>➢ restoring, preserving and enhancing ecosystems related to agriculture and forestry</td>
</tr>
</tbody>
</table>

*Source: Council Regulation (EC) No 1698/2005*

*Source: Regulation (EU) No 1305/2013*
### Five Components:
1. Transition assistance & institution building
2. Cross-border cooperation
3. Regional development
4. Human resources development
5. Rural development (IPARD)

Components 3-5 for candidate countries only, e.g., for component 5 IPARD implementing structures obligatory


### Flexible approach & five policy areas:
- Transition process and capacity building
- Regional development
- Employment, social policies and human resources development
- Agriculture and rural development
- Regional and territorial cooperation


### Four policy areas with relation to other EU structural and cohesion funds:
- Regional development
- Employment, social policies and human resources development
- Agriculture and rural development
- Regional and territorial cooperation


### Article 3 (3) of Regulation (EU) No 231/2014 stipulates that these four policy areas may include financing of the type of actions under:
- EAFRD
- European Social Fund
- European Cohesion Fund
- Regulation for support from European Regional Development Fund
- Regulation on European Regional Development Fund and on specific provisions concerning investment for growth and jobs goal
### Three main Axis for rural development:

**Axis 1: Improving market efficiency and implementation of EU standards:**
- Investments in agricultural holdings to restructure and upgrade to the EU standards;
- Investments in processing and marketing of agriculture and fishery products;
- Support the setting up of producer groups.

**Axis 2: Preparatory actions for implementation of the agri-environmental measures and Leader:**
- Preparation for implementation of actions related to environment and the countryside;
- Preparation and implementation of local development strategies.

**Axis 3: Development of the rural economy:**
- Improvement and development of rural infrastructure;
- Development and diversification of rural economic activities;
- Training;
- Technical assistance


### Rural Development Programmes:

"...shall be implemented by the IPA II beneficiaries on the basis of indirect management in accordance with Article 58 (1) of Regulation (EU, Euratom) No 966/2012 and shall finance selected types of actions as provided for under the Regulation (EU) No 1305/2013 of the European Parliament and of the Council ..." (EAFRD)


### Land Consolidation and EAFRD II

**Direct and indirect contribution**

**Rural development measures to support direct land consolidation (direct contribution):**
- There is no direct contributions for improving and developing infrastructure related to the development and adaptation of agricultural and forestry

**Rural development measures in support of land consolidation (indirect contribution):**
- Advisory services, farm management and farm relief services (Article 15)
- Farm and business development (Article 19)
- Basic services and village renewal in rural areas (Article 20)
- Cooperation (Article 35)


**Rural development measures that create necessary conditions for implementing land consolidation, e.g. institution building, planning, training, etc. (indirect contribution):**
- Leader (Article 42 - 44)
- Knowledge transfer and information action (Article 14)
- Setting-up of producers group and organizations (Article 27)
- Leader (Article 43)
- European Innovation Partnership Network (Article 53) and National rural network (Article 54)
- European Innovation Partnership for agricultural productivity and sustainability (Article 55)
- Operational groups (Article 56)
### Direct and Indirect Incentive

#### Rural development measures that increase the value of consolidated land (direct incentive)
- Investments (construction, acquisition, leasing, improvement of immovable property, new machinery, irrigation, etc.) (Article 45, Article 46)
- Investments in physical assets (Article 17)
- Investments in forest area development and improvement of viability of forests (Article 21)
- Afforestation and creation of woodland (Article 22)
- Establishment of agroforestry systems (Article 23)
- Investments improving resilience and environmental value of forest ecosystems (Article 25)
- Investments in forestry technologies and in processing in mobilizing and in the marketing of forest products (Article 26)
- Organic farming (Article 29)
- Natura 2000 and Water Framework Directive payments (Article 30)

#### Rural development measures that benefit from land consolidation through release of scarce resources, e.g. land and labour (indirect incentive)
- Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions (Article 18)
- Prevention and restoration of damage to forests from forest fires and natural disasters and catastrophic events (Article 24)
- Agri-environment-climate (Article 28)
- Payments to areas facing natural and other specific constraints (Article 31–32)
- Income stabilization tool (Article 39)

### Land Consolidation and EAFRD II

According to article 55, para 2 of Regulation EU No 447/2014, rural development programs “…shall be implemented … and shall finance selected types of actions as provided for under the Regulation (EU) No 1305/2013 … (EAFRD)”, hence no direct reference is made to specific measures. However, the Commission elaborated, based on the experience of IPARD I, a proposed set of measures, of which the country can select and negotiate the implementation details with the commission (framework agreement), i.e. IPARD II will be a continuation of IPA I – Component 5 types of programs.

Further analysis of the proposed measures is underway, but it is expected that the same interpretation as for IPARD I can be made, see next slide from previous program.

### Proposed IPARD II measures

1. Investments in physical assets of agricultural holdings
2. Support for the setting up of producer groups
3. Investments in physical assets concerning processing and marketing of agricultural and fishery products
4. Agri-environment-climate and organic farming measure
5. Implementation of local development strategies - LEADER approach
6. Investments in rural public infrastructure
7. Farm diversification and business development
8. Improvement of training
9. Technical assistance
10. Advisory services (new)
11. Establishment and protection of forests (new)
<table>
<thead>
<tr>
<th>Indirect contribution</th>
<th>Direct and indirect incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>IPARD; Improvement and development of rural infrastructure (Axis 3; Article 179)</td>
<td></td>
</tr>
<tr>
<td>IPARD; Preparation and implementation of local rural development strategies, LEADER (Axis 2; Article 178)</td>
<td></td>
</tr>
<tr>
<td>IPARD; Improvement of training (Axis 3; Article 181)</td>
<td></td>
</tr>
<tr>
<td>IPA 3 - Regional Development; Measures involving in particular provision of local infrastructure and services which contribute to facilitate establishment, development and expansion of new and existing business (Article 147.1 (c)(vi))</td>
<td></td>
</tr>
<tr>
<td>IPA 3 - Regional Development; Education and training infrastructures, where necessary for regional development and in close co-ordination with the human resources development component of IPA (Article 147.1(c)(vii))</td>
<td>direct incentive</td>
</tr>
<tr>
<td>direct incentive</td>
<td>IPARD; Preparation for implementation of actions relating to environment and the countryside (Axis 2; Article 177)</td>
</tr>
<tr>
<td>IPA 3 - Regional Development; Environment measures related to waste management, rehabilitation of contaminated sites and land, areas related to sustainable development which present environmental benefits, namely energy efficiency and renewable energy (Article 147.1 (b))</td>
<td>indirect incentive</td>
</tr>
<tr>
<td>indirect incentive</td>
<td>IPARD; Diversification and development of rural economic activities (Axis 3; Article 180)</td>
</tr>
</tbody>
</table>

**New CAP and land consolidation**

- Countries are preparing their agriculture and rural development strategies and programs
- Crucial that land consolidation is included, e.g. Albania, Macedonia, Serbia
- Current support regime will be valid until end 2014
Conclusions

- No direct assistance and investment in infrastructure related to land
- Diverse range of measures to incentivize directly and indirectly land consolidation
- Diverse incentives for land consolidations in order to prevent damages by natural and catastrophic disasters and climate change
- Measures and programs have to be seen in close relation with the capacity for absorption of the funds by each Member State and candidate and potential candidate countries
- Knowledge and innovation oriented measures
- Measures to incentivize cooperation at all levels, national and cross-border cooperation
- Introduction of new forms for fostering cross-border cooperation
- Close correlation between EAFRD and IPA II with the Structural and Cohesion Funds of the European Union

Thank you for your attention

Questions