



Bundesministerium für  
Ernährung, Landwirtschaft  
und Verbraucherschutz

## **Considerations on the further policy of rural development under the CAP after 2013**

**Statement at the NRN Conference 2010 in Rome  
on 13 April 2010**

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April 2010



## Discussion on the future development of the CAP after 2013 in Germany is in full swing

- Discussion on the future development of the CAP in Germany has been going on since last autumn already
- Already several meetings with federal and *Länder* ministries
- The *Länder* are important in Germany because - as politically autonomous units - they design and implement the programmes under the 2nd pillar on their own responsibility
- In Germany, there are currently 14 *Länder* programmes under the 2nd pillar and one Federal programme for the National Network



## **Gearing the funding priorities of rural development policy towards future challenges**

Future challenges for agriculture, forestry and rural areas

- Globalisation and liberalisation of markets
- Competition and income pressure in agriculture and forestry
- Maintenance of farming in less-favoured areas
- Provision of food and renewable resources for a rapidly growing population
- Conservation of the cultural landscape, natural resources and biodiversity
- Climate change with extreme weather conditions
- Demographic change and need for structural adjustment in rural areas to secure jobs and maintain the infrastructure

To gear the 2nd pillar towards tackling the challenges we need to define clear objectives and establish funding priorities



## Interaction of the 1st and 2nd pillar of CAP

- The 2nd pillar structure of the CAP has in principle proven successful
- There is a need for a strong 1st pillar and a financially well-equipped 2nd pillar
- The 2nd pillar cannot replace the 1st pillar but must supplement it synergistically
- A sufficient basic level of support of agriculture and forestry via the 1st pillar
  - = allows for more flexibility in the orientation of the 2nd pillar to meet global and regional challenges
  - = provides scope to sharpen the profile of the 2nd pillar for rural development in the agricultural environment
- Therefore the basic level of support of agriculture and forestry should be ensured via the 1st pillar and the specific tasks above should be solved by the 2nd pillar
- Furthermore, the 2nd pillar should contribute to maintaining a viable infrastructure and developing economic power and quality of life in rural areas



## **Elements of the 2nd pillar of the CAP after 2013** **from a German point of view**

The current discussion in Germany shows the following tendencies  
(but discussion is still going on)

- Retaining of the two-pillar structure  
(agriculture and rural areas are closely interrelated and therefore require integrated agricultural and structural policies)
- Clear demarcation between the 1st and 2nd pillar of CAP with regard to content and themes
- Priority task concerning the 2nd pillar: improve the effectiveness and efficiency of the policy in view of the new challenges
- Instead of the current axes, operational support objectives should be defined and priorities identified



## Objectives of the 2nd pillar of CAP after 2013

Three objectives based on the current axes of the 2nd pillar:

1. Competitive agricultural and forestry sector  
(focus on the agricultural sector and its market-oriented economic activities)
2. Conservation and development of cultivated landscapes; strengthening of environmental, climate and animal protection as well as of nature, resource and landscape conservation  
(focus on the provision of non-marketable public goods by agriculture and forestry and possibly also non-farmers)
3. Further development of economic power and infrastructure within the scope of rural development  
(focus on activities in rural areas beyond the agricultural sector)



## Priorities of the 2nd pillar of CAP after 2013

Thematic and methodological priorities serve to further subdivide the objectives according to fields of activity and to precisely define the specific support profile:

- Provision of scarce public goods
- Supplementation of the 1st pillar of CAP
- Support of other Community policies
- Implementation of individual measures to support specific public or regional objectives or measures linked with regional strategies



## Gearing 2nd pillar measures towards the objectives and future priorities

- The range of measures provided for by the EAFRD Regulation
  - = has basically proven successful in relation to the new challenges within the framework of the Health Check
  - = is sufficient to tackle the future challenges
- New organisation and structure of measures according to objectives and priorities
- Implementation of priorities in the programmes
  - = should be ensured via EU Directive requirements,
  - = while allowing enough flexibility for funding to meet the regional conditions
- Assign particularly high priority to objective 2 and to the provision of public goods





## **Clear differentiation between 2nd pillar and 1st pillar and co-ordination with the EU Structural Funds**

The 2nd pillar must

- be clearly demarcated from the 1st pillar regarding objectives 1 and 2
  - = to avoid identical measures in 1st and 2nd pillar  
(cf. for example the fruit and vegetable problem)
  - = to fund public goods - e.g. in the agri-environmental area - only above  
existing standards (cross compliance)
- be clearly demarcated from and co-ordinated with the EU Structural Funds  
regarding objective 3
  - = mainly via the definition of measures to be supported (support of smaller  
projects and enterprises in the context of agriculture and forestry)
  - = via an integrated approach, e.g. the Leader approach, at regional level

No uniform geographical demarcation of eligible areas for rural development measures  
(objective 3); but individual demarcation for specific measures, if necessary



## Simplification of the 2nd pillar of CAP

- End of the National Strategy Plan (in future: two-step approach)
- Harmonisation of rules (e.g. VAT or work performed for own account) and deadlines for eligibility, for monitoring, for evaluation, for co-financing of rural development and of the EU Structural Funds
- Restriction of indicators and monitoring to the absolute minimum and co-ordination of the rules with clear requirements before the programming period begins
- Reduction of the number of differing co-financing rates
- Strengthening of subsidiarity through more opportunities for the regions to take on responsibility for their own development without approval of the EU Commission
- Acceleration of programme changes



## Funding of the 2nd pillar of CAP

- A financially well-equipped 2nd pillar with a reliable financial framework for the entire programming period is necessary before funding begins in order to solve the diverse challenges (no modulation)
- 2nd pillar with a wide range of objectives as a part of CAP and not the cohesion policy
- Establish and reduce the number of co-financing rates at the level of objectives and priorities
- Being comparatively complex co-ordination instruments, Leader approach or similar integrated approaches should, as in the past, be provided with a significant co-financing and support bonus