



# Management Plan 2015

Directorate-General  
for Agriculture and Rural Development

December 2014



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## 1. MISSION STATEMENT

The mission of the Directorate General for Agriculture and Rural Development ("DG AGRI") is to promote the sustainable development of Europe's agriculture and to ensure the well-being of rural areas.

## 2. THIS YEAR'S CHALLENGES

2015 will be a challenging year for DG AGRI in several respects:

- ✓ **Implementation of the CAP reform** will be a key task across the DG! Colleagues dealing with direct payments will continue their efforts to proactively assist and offer guidance to Member States who have to turn new schemes such as greening, young farmers and small farmers into reality on the ground. Activity will also continue to be high for colleagues in the second pillar to meet the objective of ensuring as high a quality and as smooth an adoption as possible of the 118 rural development programmes for 2014-2020.
- ✓ DG AGRI will take part in **the Juncker Commission's priority actions**. Agriculture and Rural Development are indeed a key component of the number one priority of the Commission of "boosting jobs, growth and investment". In line with the mission letter from President Juncker to Commissioner Hogan, our main focus will be on how to ensure that *'rural development spending is well integrated into jobs- and growth-generating investment strategies at national and regional level'*, and how to renew efforts *'in the agricultural sector to contribute to energy efficiency and emissions reductions'*.
- ✓ **Simplification and subsidiarity** represent another challenge for DG AGRI in 2015 and the following years. This will include a screening across the board of our legislation from a simplification and subsidiarity perspective as well as concrete initiatives in the areas of direct payments (in particular greening), quality policy, Common Market Organisation as well as rural development. Commissioner Hogan and DG AGRI will engage in a dialogue with stakeholders and other EU institutions as part of this exercise and encourage Member States to undertake broad consultation at national level.
- ✓ **Opening up trade possibilities for agricultural products** will continue to be high on the agenda. Apart from contributing to trade negotiations such as TTIP, Commissioner Hogan has announced that potential market opportunities outside EU should be identified and promoted with the aim of inter alia alleviating the consequences of the Russian ban on certain EU agricultural products.
- ✓ **Sound financial management** remains a key principle for DG AGRI. However, 2015 may well bring particular challenges for our budgetary management in light of the increasing gap between needs and resources available in the general EU budget. Our efforts to strengthen the financial management of the Common Agricultural Policy (CAP) are also on the rise with new tools for suspensions and interruptions and a new, legal requirement to speed up our audit procedures.

These challenges bear witness to the complexity in delivering on DG AGRI's mission statement and the policy objectives of the CAP. Assessing the performance of the CAP represents an additional challenge in 2015 and beyond. However, important progress is being made with the CAP reform which introduces a Common Monitoring and Evaluation Framework (CMEF), improving our capacity to assess to what extent results are achieved and impacts made. The CMEF consists of a large number of indicators covering issues as varied as e.g. the rural employment rate, EU agricultural exports, water quality, crop diversity, EU commodity price variability and emissions from agriculture.

For the purpose of the Management Plan, DG AGRI has selected four performance indicators covering the most critical aspects of CAP performance and one indicator related to the internal control.

The four key indicators which monitor the core aspects of our policy are:

- a) Agricultural factor income<sup>1</sup> (p. 6)
- b) EU commodity prices compared to world prices (p. 23)
- c) Minimum share of agricultural land with specific environmental practices/commitment<sup>2</sup> (p. 32 and 45)
- d) Rural employment rate (p. 8).

The key indicator linked to the achievement of the internal control objectives is:

- e) Residual Error Rate and corrective capacity (p. 95)

For each indicator, monitoring data will be presented subsequently in the Annual Activity Report.

Through their diversity, the key indicators confirm that the CAP is not a simple business to manage – and DG AGRI's most important resource is therefore undoubtedly its staff! Without qualified and motivated staff we cannot deliver on our mission statement and policy objectives.

We are however also facing some challenges in the area of human resources in the near future due to issues of both a horizontal nature (staff reductions for the Commission as a whole; new rules directly affecting the career path and expectations of staff; meeting the Juncker Commission's objective of a 40% share of female senior and middle management) and specific to DG AGRI (ageing staff; loss of specialised profiles, notably agronomists). We will need to do more with less but also focus on the need to adapt quickly to the changing environment.

To address these challenges, DG AGRI has developed a Strategic Human Resources Plan setting out objectives, in particular for 1) Workforce planning, organisational structure and efficiency, 2) Learning and development, 3) Recruitment and 4) Career development. A broad range of possible actions have been identified and will be implemented by our HR unit in order to reach these objectives. I would like to use this opportunity to invite all colleagues in DG AGRI to reflect on how each of you can be ready for these challenges by e.g. further developing your skills and ability to move to new domains of interest, or helping new colleagues to settle in.

Let me end by expressing my sincere respect and gratitude to all of you for your professionalism and dedication to our common goal of a successful CAP. I am confident that we will also be successful in seeing our way through the challenges arising in 2015!

Jerzy PLEWA  
Director-General

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<sup>1</sup> For the definiton of this indicator, see p. 6.

<sup>2</sup> Combining the indicators "Share of eligible land under greening practices" for first pillar (the direct payment part can be included in the calculation of this indicator only when 2015 data are available) and "Share of agricultural land" indicators for second pillar specific objectives 4 and 5.

## 3. GENERAL OBJECTIVES OF THE POLICY

### 3.1 General objectives

The Common Agricultural Policy (CAP) is a genuinely European policy as Member States pool resources to operate a single European policy with a single European budget. The objectives of the CAP as laid out in the Treaty of the Functioning of the European Union (TFEU) Article 39 are to

- (a) increase agricultural productivity,
- (b) ensure a fair standard of living for the agricultural community,
- (c) stabilise markets,
- (d) assure the availability of supply and
- (e) ensure that supplies reach consumers at reasonable prices.

To reach the TFEU objectives, general objectives for the CAP were set out in the Regulation (EU) No 1306/2013<sup>3</sup>, Article 110(2), namely

1. Promoting a viable food production, with the focus on agricultural income, agricultural productivity and price stability;
2. Promoting sustainable management of natural resources and climate action, with a focus on greenhouse gas emissions, biodiversity, soil and water;
3. Promoting balanced territorial development, with a focus on rural employment, growth and poverty in rural areas.

Following the recent reform, the Commission will concentrate its efforts in 2015 on delivering tangible results for Europe's citizens. The new Common Agricultural Policy will significantly contribute to maintaining jobs in rural areas and generating growth along the food chain. The simplification of the CAP will also contribute to competitiveness: the reduction of the administrative burden will be positive for both farmers and national authorities. Over the next years, the European Commission will focus its efforts to guarantee an adequate implementation of the CAP as to maximize the contribution to growth and jobs agenda<sup>4</sup>.

The breakdown of the CAP objectives is further developed in the part on the intervention logic (see Part 3.2).

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<sup>3</sup> Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008

<sup>4</sup> The general objectives contribute to the three priorities of smart, sustainable and inclusive growth of the Europe 2020 strategy (Communication from the Commission – Europe 2020 – A strategy for smart, sustainable and inclusive growth, COM(2010)2020 of 03 March 2010). In this context, the CAP promotes resource efficiency by maintaining a sustainable agriculture throughout the EU, addressing important cross border issues such as climate change and biodiversity and reinforcing solidarity among Member States.

<b>General objective: To promote a viable food production</b>				<input checked="" type="checkbox"/> Programme-based: EAGF and EAFRD <input type="checkbox"/> Non-programme-based	
<b>Impact indicator<sup>5</sup>: Agricultural factor income</b> Definition: The indicator represents the share of gross value added at factor cost (factor income in agriculture) <sup>6</sup> per annual work unit (AWU) <sup>7</sup> , over time. Source: Eurostat – Economic Accounts for Agriculture					
Baseline 2012 (EU-28)			Target		
14 376.7 EUR/AWU (in current prices)			To increase <i>Article 39 (1)(b) TFEU ("to ensure a fair standard of living...")</i>		
<b>Impact indicator: Total factor productivity in agriculture</b> Definition: Total factor productivity (TFP) compares total outputs relative to the total inputs used in production of the output (both output and inputs are expressed in term of volumes) Source: DG AGRI calculation based on Eurostat data					
Baseline (2009-2011, average)			Target		
104 (index 2005 = 100)			To increase <i>Article 39 (1)(a) TFEU ("to increase agricultural productivity...")</i>		
<b>Impact indicator: EU commodity price variability</b> Definition: EU and world market commodity market price variability will be established for a number of selected agricultural commodities. It will be calculated on the basis of monthly commodity market prices. It is the coefficient of variation measuring the dispersion of commodity prices around the mean over the period of 3-5 years. The coefficient of variation will be calculated as standard deviation of a set of prices/mean average. The indicator will be calculated for EU and world prices. Source: DG AGRI (Agriview) for EU prices, FAO and World Bank for world prices					
Baseline (2010-2012)			Target		
	<b>Coefficient of variation Commodity</b>	<b>World Jan 2010-Dec 2012</b>	<b>EU Jan 2010-Dec 2012</b>	To decrease <i>Article 39 (1)(c) TFEU ("to stabilise markets")</i>	
	Beef	10.1%	8.2%		
	Poultry	4.7%	6.3%		
	Pig	10.7%	9.9%		
	Soft wheat	17.9%	21.2%		
	Maize	23.1%	17.8%		
	Barley	22.7%	22.0%		
	Butter	14.9%	12.0%		
	Cheese (Cheddar)	6.6%	9.1%		
	Skimmed milk powder (SMP)	10.0%	8.0%		
	Whole milk powder (WMP)	11.0%	7.2%		

<sup>5</sup> Further details related to the measurement of the impact indicators are available in the following document: [http://ec.europa.eu/agriculture/cap-post-2013/monitoring-evaluation/documents/impact-indicators\\_en.pdf](http://ec.europa.eu/agriculture/cap-post-2013/monitoring-evaluation/documents/impact-indicators_en.pdf)

<sup>6</sup> Agricultural factor income represents income generated by farming activities (i.e. off-farm activities are not included), and is used to remunerate (1) borrowed/rented production factors (capital investment, wages for salaries and rented land), and (2) its own production factors (work and/or enterprise, own capital and owned land).

<sup>7</sup> The annual working unit (AWU) is defined as full-time equivalent employment (corresponding to a full-time equivalent job), i.e. as total hours worked divided by the average annual number of hours worked in a full-time job within the economic territory. A distinction is drawn between non-salaried and salaried AWUs, which together make up total AWUs. One person cannot represent more than one AWU. The indicator uses total AWUs.

**Planned evaluations:**

- Framework contract for the evaluation of the contribution of the CAP to the general objective "viable food production" – expiration in 2021
- Initial evaluation of the contribution of the CAP on "viable food production" – start in 2016, completion in 2017. The scope is to provide a first analysis of the CAP impact.

**General objective: To promote a sustainable management of natural resources and climate action**

- Programme-based: EAGF and EAFRD  
 Non-programme-based

**Impact indicator: Emissions from agriculture**

Definition: The emissions from agriculture indicator is composed of two sub-indicators, one assessing GHG emissions and one ammonia emissions.

Source: European Environment Agency, United Nations Framework Convention on Climate Change (UNFCCC)

Baseline 2010	Target
Greenhouse gas: 510 324 (in 1000 t of CO <sub>2</sub> equivalent) <sup>8</sup>	To reduce EU2020

**Impact indicator: Water abstraction in agriculture**

Definition: Volume of water applied to soils for irrigation purposes

Source: Eurostat – Survey on agricultural production methods (SAPM)

Baseline 2010	Target
39 834 412 (in 1000 m <sup>3</sup> )	To decrease Regulations n° 1305, 1306 and 1307/2013

**Planned evaluations:**

- Framework contract for the evaluation of the contribution of the CAP to the general objective "sustainable management of natural resources and climate action" – expiration in 2021.
- Initial evaluation of the contribution of the CAP on "sustainable management of natural resources and climate action" – start in 2016, completion in 2017. The scope is to provide a first analysis of the CAP impact.
- Evaluation of the impact of the CAP on habitats, landscapes and biodiversity – start in 2017, completion in 2018. The scope is to provide an analysis of the impact on habitats, landscapes and biodiversity of the specific CAP measures/instruments/policies aiming to contribute to the general objective of sustainable management of natural resources and climate action.
- Evaluation of the impact of the CAP on water – start in 2018, completion in 2019. The scope is to provide an analysis of the impact on water of specific CAP measures/instruments/policies aiming to contribute to the general objective of sustainable management of natural resources and climate action.

<sup>8</sup> This indicator could also be expressed as share of agriculture (including soils) in total net emissions – the value for 2010 was 11.6%.

<b>General objective: To promote a balanced territorial development</b>		<input checked="" type="checkbox"/> Programme-based: EAGF and EAFRD
		<input type="checkbox"/> Non-programme-based
Impact indicator: <b>Rural employment rate</b>		
Definition: Employment rate for the population aged 15-64 in thinly-populated areas		
Source: Eurostat – Labour Force Survey		
Baseline 2012 (EU-28)	Target	
63.4%	To increase <i>Article 110 (2)(c) of Regulation n° 1306/2013</i>	
<b>Planned evaluations:</b>		
<ul style="list-style-type: none"> <li>- Framework contract for the evaluation of the contribution of the CAP to the general objective "To promote a balanced territorial development" – expiration in 2021</li> <li>- Initial evaluation of the contribution of the CAP on "To promote a balanced territorial development" – start in 2016, completion in 2017. The scope is to provide a first analysis of the CAP impact.</li> <li>- Evaluation of the impact of the CAP on new marketing strategies – start in 2017, completion in 2018. The scope is to provide an analysis of the impact on marketing strategies of the specific measures/instruments/policies aiming to contribute to the general objective "balanced territorial development".</li> <li>- Evaluation of the impact of the CAP on local development– start in 2018, completion in 2019. The scope is to provide an analysis of the impact on local development of the specific measures/instruments/policies aiming to contribute to the general objective "balanced territorial development".</li> </ul>		

<b>Planned evaluations for all three General Objectives:</b>
<ul style="list-style-type: none"> <li>- Mapping and analysis of the implementation of the CAP– completion in 2016</li> <li>- Framework contract for synthesis and cross-thematic evaluations – expiration in 2021</li> <li>- Synthesis and cross-thematic evaluations – start in 2016, completion in 2019. It serves to prepare synthesis reports, such as the reports to be submitted to the Council and the European Parliament by 31 December 2018 and 2021.</li> </ul>

The CAP is financed through two funds, i.e. the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD). Noteworthy, the EAFRD is part of the Common Strategic Framework<sup>9</sup> (CSF) where Rural Development (RD) priorities already translate and feed into the CSF thematic objectives. The CAP contributes to the **Instrument for Pre-accession assistance (IPA II)** for the part related to rural development (IPARD).

DG AGRI also participates in the implementation of **Horizon 2020 Framework Programme** for Research and Innovation for the part related to securing sufficient supplies of safe and high quality food and other bio-based products.

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<sup>9</sup>: Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006.



The strategic importance of the CAP for EU citizens<sup>10</sup> becomes apparent when considering the role that agriculture and its activities in rural areas (such as tourism, transport, local and public services) play in the European economy and society. Over 77% of the EU's territory is classified as rural<sup>11</sup> and is home to more than half of its population. The primary agricultural sector, i.e. agriculture, forestry, hunting and fishing, is naturally concentrated in rural areas and accounts for a 5.3% share in total employment, i.e. 11.9 million farmers, in 2011. Overall, agriculture and the agri-foods industry that receives its high quality, competitive and reliable raw material inputs from agricultural production, provide 46 million jobs, comprise 15 million businesses and account for 6% of the EU's GDP. Yet, the income per capita (on average) and the employment rate are significantly lower in predominantly rural regions compared to urban areas. However, GDP growth in predominantly rural areas was stronger (2.2% in 2008) than in intermediate (1.0%) and predominantly urban regions (-3.4%), indicating less volatility during the recent crisis. However, in the period 2000 to 2012, 4.8 million full-time jobs in the EU agriculture disappeared (70% of them in the new Member States). It must be noted that there are significant differences of the income per capita, the unemployment rate and the employment rate of the primary sector in the various rural areas of the EU. Significant differences in the agricultural sector compared to the rest of the economy are seen in gender equality and age classes of the labour force. Two out of three farmers on average are male, compared to 54% of male labour forces in the total economy. In 2010, 33% (44% for total employment) of the agricultural labour force was younger than 40 years, 57% (54%) was between 40 and 65 years and 10% (2%) were aged older than 65 years.

For a viable European economy and the European society, a functioning environment providing ecosystem services is crucial. This is acknowledged by the CAP as farmers are encouraged to comply with sustainable agricultural practices in order to safeguard the environment. An additional focus is laid on the preservation of rural communities and landscapes as they form a valuable part of Europe's heritage. Overall, the CAP can be seen as an overarching policy as it is inter-linked to many other European policies, notably socio-regional, economic as well as environmental, climate and energy policies.

### **(1) Promoting a viable food production, with the focus on agricultural income, agricultural productivity and price stability**

Guaranteeing food security, averting a slowdown in productivity growth, price/income volatility and facing the economic crisis are the main economic challenges that must be addressed by the CAP. To promote a viable food production the reform aimed to enhance competitiveness. This resulted in improved economic tools to address the income of farmers and market developments on a sound socio-economic and environmentally sustainable basis.

Market measures provide a safety net in order to react efficiently and effectively against threats of market disturbances or other events and circumstances significantly disturbing or

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<sup>10</sup> Data retrieved from the [Statistical and economic information Report 2012](#) and a MEMO on CAP published by the Commission on 26 June 2013 ([European Commission. MEMO The common agricultural policy \(CAP\) and agriculture in Europe – Frequently asked questions. Press release database. 26 Jun 2013](#)); [Economic Briefs. N° 8: How many people work in agriculture in the European Union? June 2013](#); [Eurostat Regional Yearbook 2013](#), Chapter 15

<sup>11</sup> We are referring to both, the **predominantly rural** and **intermediate** classes of NUTS 3 regions, that are classified as regions where the share of population living in rural local administrative units is higher than 50% and where the share of population living in rural local administrative units is between 15 and 50%, respectively.

threatening to disturb the market, and thus, maintaining market stability and meeting consumer expectations. Such measures may also be financed through a crisis reserve that will be created through the annual application of the financial discipline on direct payments. Furthermore, the activities for the common organisation of the markets in agricultural products include measures to foster producer organisation and interbranch organisation in order to improve competitiveness of the agricultural sector and enhance its share in the food chain, the school milk and fruit scheme, as well as the wine national support programme and other regulatory measures. Besides, export refunds have literally vanished from the budget lines.

Direct payments support and stabilise farmers' income, but increasingly also contribute to the provision of environmental public goods. Indeed, the new CAP provides for a wide range of obligatory and voluntary instruments of direct payments for active farmers, such as basic payment, greening payment, young farmers scheme, small farmers scheme, redistributive payment, coupled support and support in areas facing natural constraints. Member States that currently maintain direct payment allocations based on historic references must move towards more similar levels of payment per hectare.

Pillar II also contributes to enhance the competitiveness of all types of agriculture and improve the agricultural standing in the food chain. In particular, two of six Union priorities (specific objectives) for rural development explicitly aim at improving the competitiveness of the agricultural sector and farm viability, as well as at improving the integration of farmers into the food chain and management of risks. A number of specific instruments (or "rural development measures") are available in this respect. The new Rural Development Policy (2014-2020) will be a key driver to encourage investments in the rural areas and support business start-ups and innovation projects; this will be a key instrument to support job creation and stimulate economic activity beyond the agricultural sector with projects for the diversification of the economy in rural areas.

Horizontal and other instruments include cross compliance, quality policy, organic farming, promotion policy and research (under Horizon 2020), European Innovation Partnership for Agricultural Productivity and Sustainability, as well as the Farm Advisory Service (FAS). The FAS requires Member States to offer advice to farmers covering issues on cross-compliance, the green direct payments, the conditions for maintenance of land eligible for direct payments, the Water Framework and Sustainable Use of Pesticides Directives as well as to assist farmers, forest holders and SMEs operating in rural areas in order to improve the economic and environmental performance of their holdings through rural development measures.

## **(2) Promoting sustainable management of natural resources and climate action, with a focus on greenhouse gas emissions, biodiversity, soil and water**

Environmental challenges which must be addressed by the CAP include greenhouse gas (GHG) emissions, soil depletion, water and air quality, habitats and biodiversity and the impact of climate change in general. For reaching this general objective, different instruments and measures are provided in Pillar I and Pillar II, respectively.

For respecting certain agricultural practices which are beneficial for the climate and the

environment, farmers will receive a green payment. This new compulsory greening instrument will ensure that farmers are adequately remunerated for providing environmental public goods and pursue climate change mitigation and adaptation, one of the specific objectives under Pillar I. In addition, the existing cross-compliance system links all direct payments, certain rural development payments and certain wine payments to a number of statutory requirements relating to environment, climate change, good agricultural condition of land, human, animal and plant health standards and animal welfare. Under Pillar II, relevant priorities in relation to this general objective of the CAP are the ones referring to restoring, preserving and enhancing ecosystems as well as to promoting resource efficiency and the shift towards a low carbon and climate resilient economy. The measures that will mostly contribute these priorities are agri-environment-climate payments, support for organic farming, strengthened and streamlined support through investments, grants and annual payments for forestry activities, and payments for mountain areas and other areas facing natural and other specific constraints. To be noted that, in the case of Pillar II, 30% of the EAFRD must be spent on measures related to land management and the fight against climate change. In addition, rural development measures related to knowledge transfer and innovation, will effectively contribute to the achievement of environmental priorities (as well as to the other priorities, given their horizontal nature). The European Innovation Partnership for Agricultural Productivity and Sustainability as well as the research activities under Horizon 2020, are also contributing to the achievement of this environmental-related general objective.

### **(3) Promoting balanced territorial development, with a focus on rural employment, growth and poverty in rural areas**

The territorial challenges that are to be addressed by Rural Development Programmes include the effective enhancement of the vitality of rural areas and effective promotion of the diversity of EU agriculture. Despite the fact that a growing number of rural areas are becoming increasingly driven by factors outside agriculture (such as socio-economic, sectorial and environmental conditions), agriculture still remains an essential driver for the rural economy in the EU. Agriculture generates additional economic activities with strong implications on the food processing, tourism and trade. In many regions, agriculture builds the foundation of local traditions and social identity.

The policy for rural development is unique in the sense that Member states or their regions design their own multi-annual programmes on the basis of the menu of measures available at EU level, whereas the programmes are co-funded from the national budget. A new element to the CAP brings higher flexibility for the Member States or regions, as measures will not be clustered into "axes" with associated minimum spending per axis anymore. Instead, the Member States or regions may decide which measures to be applied in order to reach targets set against six broad priorities, and 18 sub-priorities or so called focus areas. However, in order to boost bottom-up forms of territorial development in rural areas, at least 5% of the EAFRD will have to be devoted to the LEADER approach. Furthermore, the LEADER approach will be integrated within so called Community-Level Local Development (CLLD) Strategies,

which can be co-financed by the other ESI funds<sup>12</sup>, i.e. ERDF, ESF, CF and EMFF. This could further enhance a closer co-ordination between different policies of the Union, for example in the context of programmes for rural-urban cooperation at local level.

In addition, to boost the social and economic development of their rural areas, Member States or their regions will also have the possibility to design thematic sub-programmes focusing on particular sectors or beneficiaries, such as young and small farmers, mountain areas, women in rural areas, climate change mitigation and adaption, biodiversity and short supply chains.

Hence, Rural Development Programmes are designed in a way to make a vital contribution to the social, economic and environmental well-being of rural areas and the sustainable management of natural resources. Rural development thus promotes the competitiveness of the agricultural and food processing sectors and inclusive and sustainable growth in rural areas without compromising the enhancement of a diverse EU agriculture and the safeguard of European heritage. For reaching this general objective, different instruments and measures are provided.

### **Implementation objectives**

DG AGRI commits itself to achieving high standards in **implementing its objectives and policies**, and will in particular:

- a. Manage the Union Budget in accordance with high standards of financial management, ensuring value for money, properly designed management and control systems as well as transparency;
- b. Implement policy in an effective manner, in line with the Treaty and international obligations and the need to simplify legislation;
- c. Contribute to other Union policies, in the fields of cohesion, competitiveness, employment, research, environment including climate action, food safety and external policies (enlargement, trade and development).

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<sup>12</sup> The new framework of the EU's rural development policy takes account for the coordination and complementarity with the European Structural and Investment (ESI) Funds. The Common Strategic Framework (CSF) aims at providing clear strategic direction to the programming process under the CSF Funds, including the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), and is reflecting the Europe 2020 strategy through eleven common thematic objectives. The six RD priorities (specific objectives) as stated in the Programme Statement are linked to six common thematic objectives, namely

- (1) Strengthening research, technological development and innovation,
- (2) Enhancing the competitiveness of the agricultural sector,
- (3) Supporting the shift towards a low-carbon economy,
- (4) Promoting climate change adaption, risk prevention and management,
- (5) Protecting the environment and promoting resource efficiency and
- (6) Promoting social inclusion and combating poverty.

## 3.2 The intervention logic of the CAP and its relation to the Monitoring and Evaluation Framework

Overall, the CAP aims at achieving **three general objectives**, which together feed into the **Europe 2020** objectives of smart, sustainable and inclusive growth.

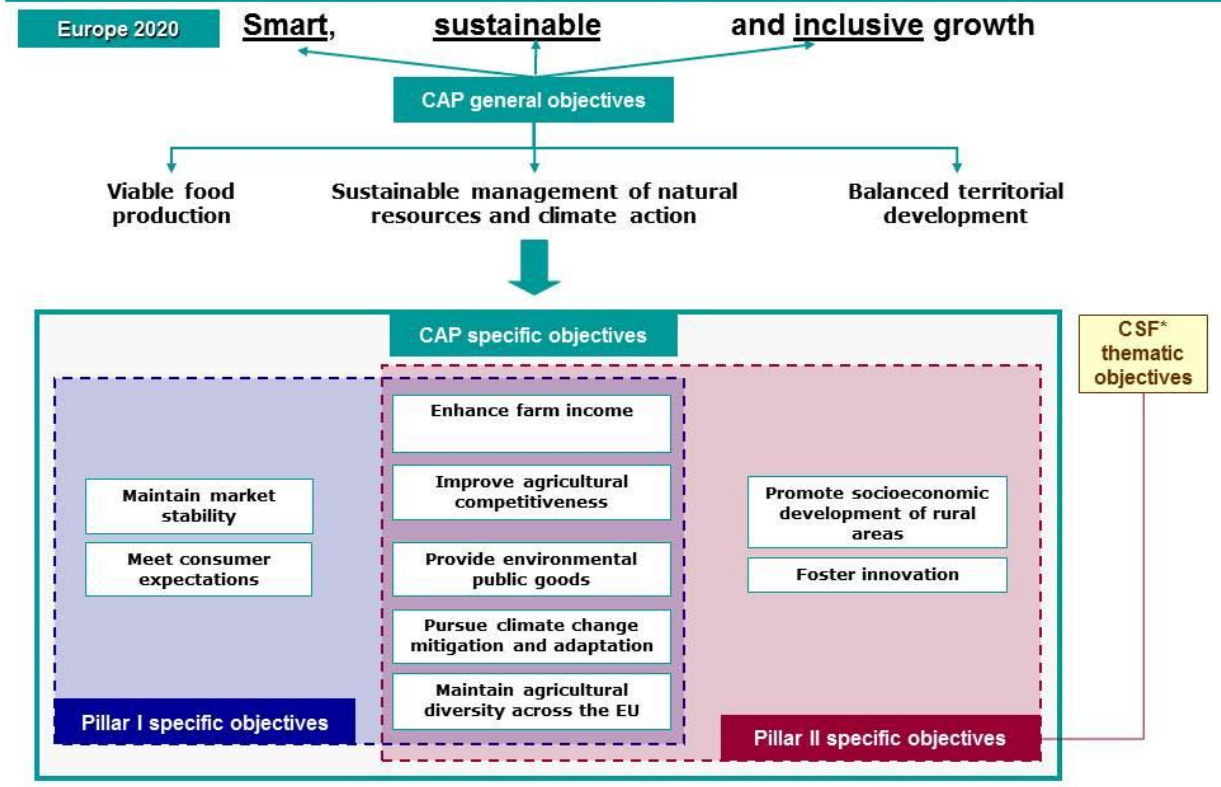
**Both CAP pillars contribute to the general objectives.** The general objectives are broken down into specific objectives, some of which are **common to Pillar I (broadly, agricultural income and market support) and II (rural development), whereas others are linked either to Pillar I or to Pillar II.** A graphical presentation of these general objectives and their breakdown into specific objectives and how the related Pillar I instruments and RD priorities ("specific objectives") and focus areas feed into them are presented below.

The CAP Monitoring and Evaluation Framework is a **result of common work of DG AGRI and various stakeholders launched in 2010.** Each of the elements of CAP intervention logic was discussed and agreed widely inside DG AGRI, and also on different occasions with the Member States, e.g. in the Rural Development Committee, the Evaluation Expert Network and a newly created expert group on monitoring and evaluation. Following the approval of the basic legislation for the CAP 2020, the mandatory elements of the system are incorporated into implementing acts<sup>13</sup>, including amongst others a list of the indicators to be used to monitor the performance of the policy (cf. part on the CAP performance measurement below). Additional help to the Member States is given via guidance documents, e.g. on ex-ante evaluation of 2014-2020 Rural Development Programmes.

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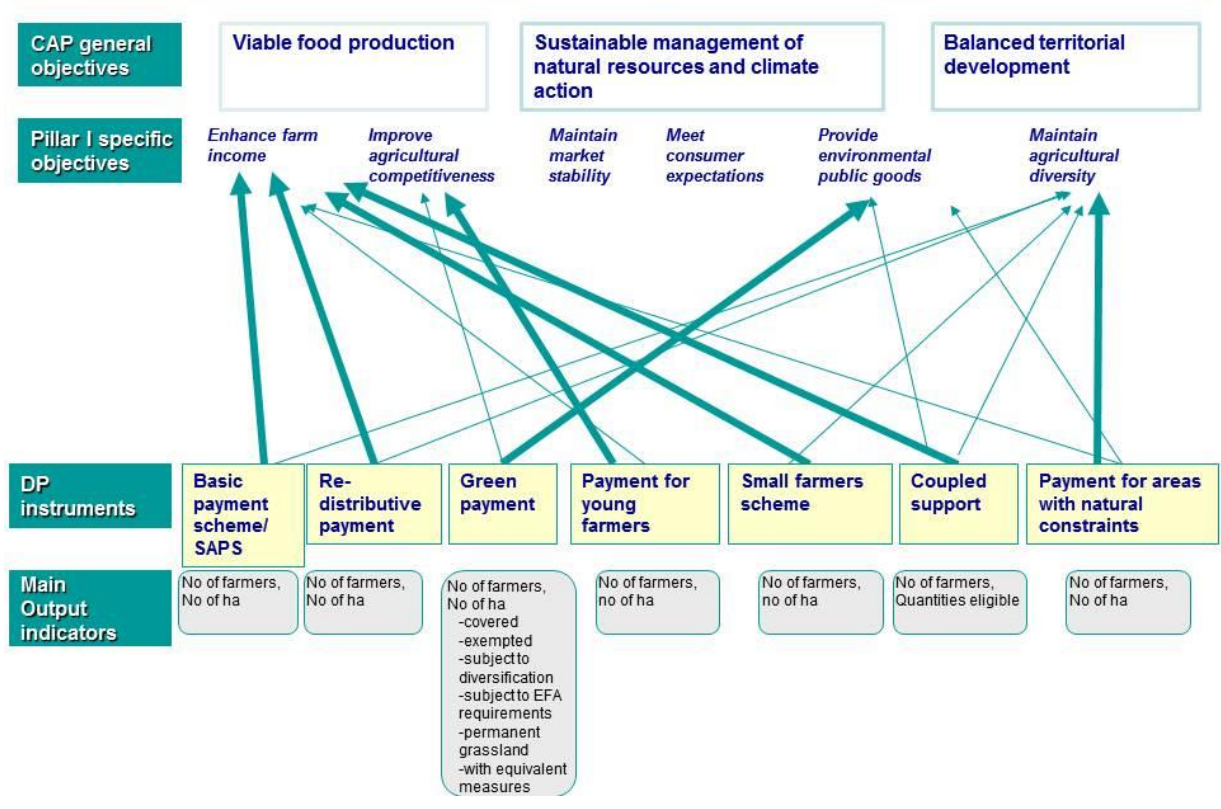
<sup>13</sup> Commission Implementing Regulation (EU) No 808/2014 of 17 July 2014 laying down rules for the application of Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) – Annex IV, OJ L 227, 31.7.2014, p. 18–68  
Commission Implementing Regulation (EU) No 834/2014 of 22 July 2014 laying down rules for the application of the common monitoring and evaluation framework of the common agricultural policy, OJ L 230, 1.8.2014, p. 1–7.

# General and specific objectives of CAP

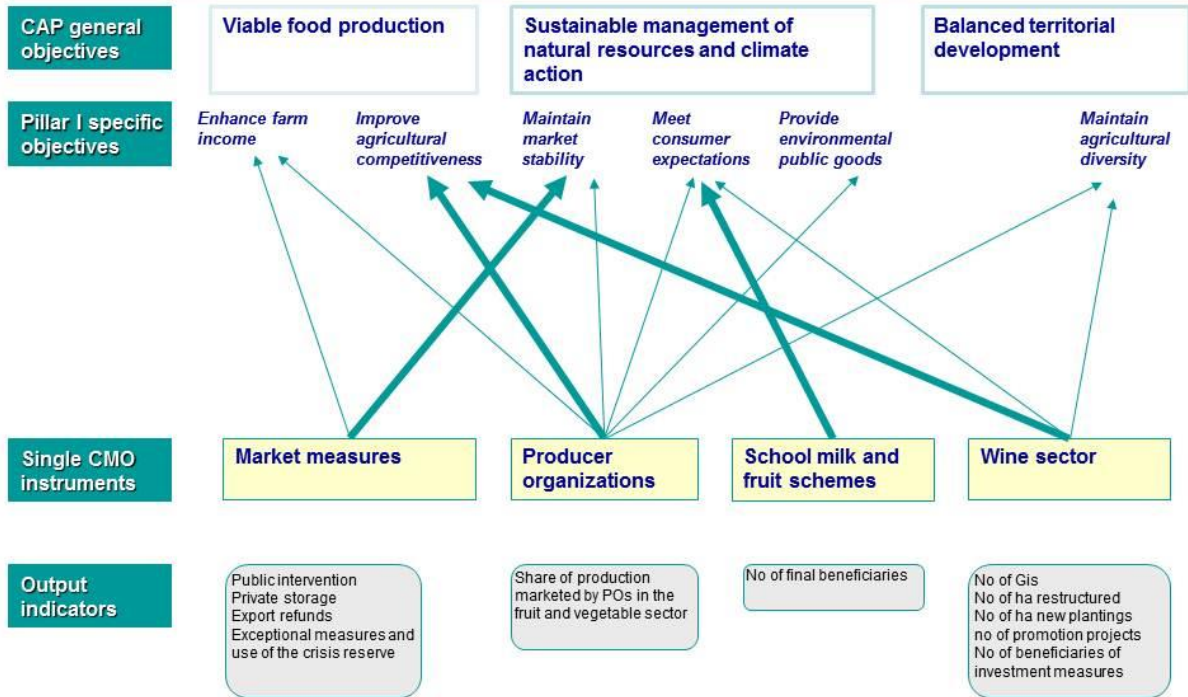


\*CSF: Common Strategic Framework including the EFRD, ESF, CF, EAFRD and EMFF

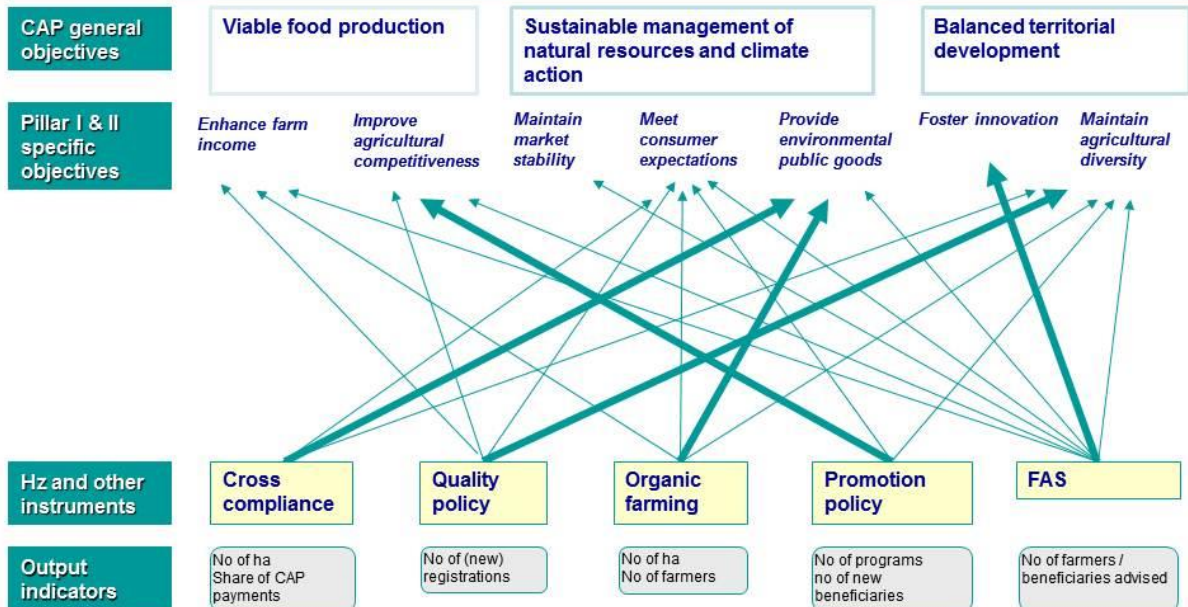
## Intervention logic pillar I: details direct payments (reg. 1307/2013)



## Intervention logic pillar I: details market measures (reg. 1308/2013)



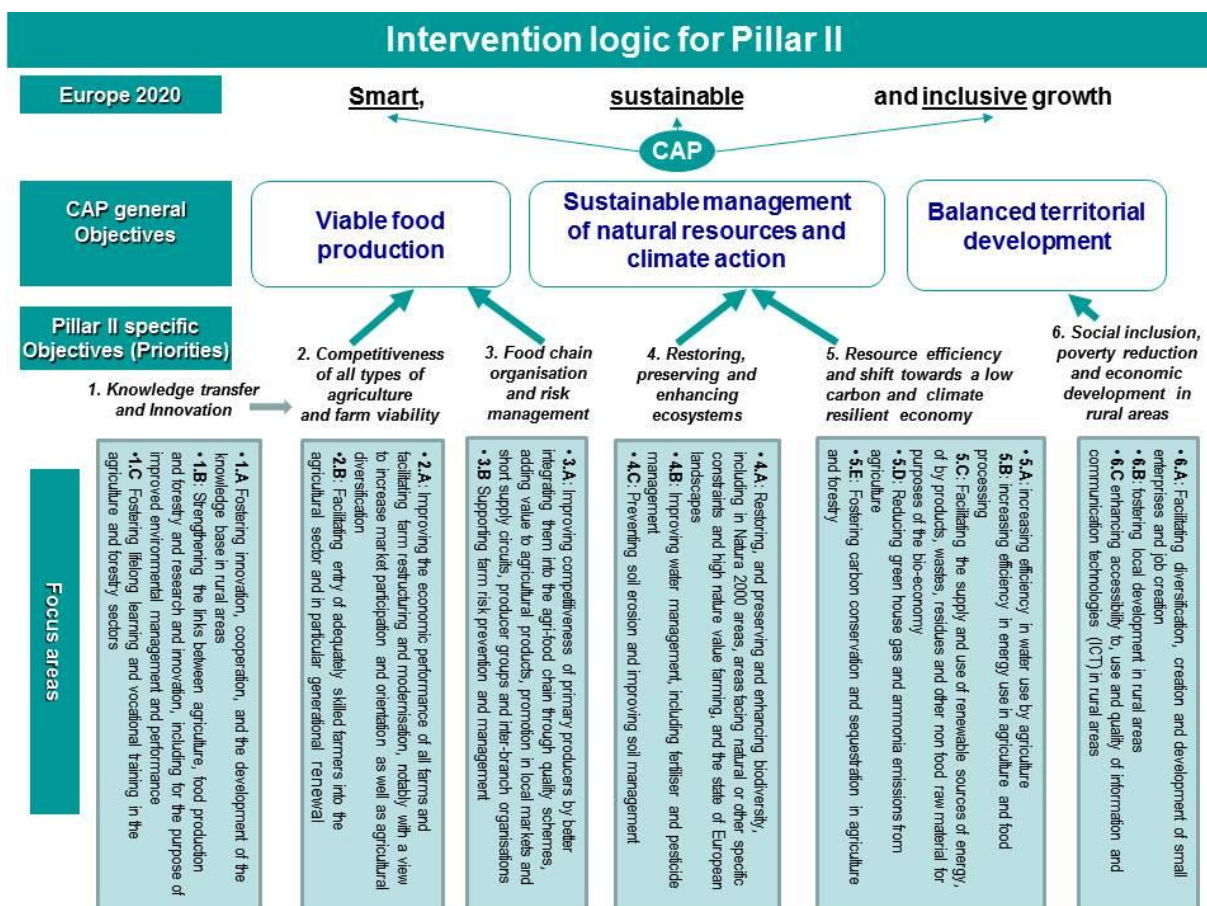
## Intervention logic horizontal measures



As shown in the graphs above, the **direct payments** support contribute to stabilise the farmers' income, improve competitiveness and support the provision of environmental public goods and climate change mitigation and adaptation. **Market measures** allow for a safety net in times of market disturbance or crisis, hence help maintain market stability and meet consumer expectations. A number of **horizontal instruments** support these objectives. Overall, these measures help to maintain a diverse agriculture in the EU.

A more detailed description of the reasoning behind the different instruments can be found in the impact assessment of the proposals for the CAP post 2013 which can be consulted online at [http://ec.europa.eu/agriculture/policy-perspectives/impact-assessment/cap-towards-2020/index\\_en.htm](http://ec.europa.eu/agriculture/policy-perspectives/impact-assessment/cap-towards-2020/index_en.htm)

The Financial Programming for 2014 to 2020 amounts to a total of 312 383, 1 Million EUR.



The above graph gives an overview of the intervention logic of Pillar II. Overall, there are **six priorities (specific objectives) for Rural Development**, each broken down into a number of **focus areas** (with target indicators). Five priorities directly feed into the CAP general objectives. Two priorities aim at improving competitiveness and farm viability, improving the position of the primary producers in the food chain and management of risks. In this way they contribute to the general objective of viable food production. Two other priorities (one focussing on restoring, preserving and enhancing ecosystems and one focussing on resource efficiency and a shift towards a low carbon and climate resilient economy) contribute to the general objective of sustainable management of natural resources and climate action. One priority focusses on social inclusion, poverty reduction and economic development in rural areas, thereby contributing to the general objective of a balanced territorial development.



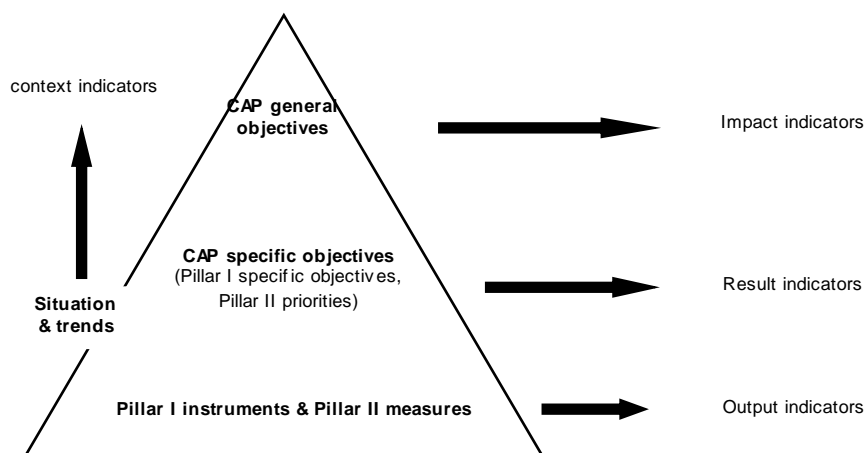
These five priorities are supported by one overall priority, i.e. knowledge transfer and innovation, which contributes to the general CAP objectives via the five other priorities.

The Financial Programming for 2014 to 2020 amounts to a total of 95 915, 8 Million EUR.

### Measuring the CAP performance

The performance of the CAP will be measured at different levels. Measurement of impacts is done at the level of the general objectives, results at the level of specific objectives and outputs at the level of instruments/measures. It is important to acknowledge that often **it is not a single instrument that contributes to reaching an objective**, but multiple instruments together contribute to reaching the objectives. Similarly, **a single measure can contribute to different objectives**. On the same note, some indicators can contribute to describe progress of achieving different (related) objectives.

Moreover, while the contributions of the policy at the level of output can be determined relatively reliably, **the influence of external factors (see point 3.3) becomes more important at the level of results and particularly at impact level**. This implies that the output, result and impact indicators cannot be looked at in isolation, but instead require interpretation within their context. In agriculture, a wide range of factors such as climatological and meteorological circumstances, agronomic conditions, world market prices, economic developments etc. influence the impact of the policy. For this reason, the framework also includes a number of socio-economic, sectorial and environmental indicators that describe this general context in which the CAP operates.<sup>14</sup>



**The CAP is implemented in shared management.** Member States authorities are involved in all steps of the policy cycle – from design, management, control to monitoring and evaluation. Shared management also implies that the information used is largely obtained from Member States. When designing the monitoring and evaluation framework, particular attention was paid to the issues of proportionality, simplification and administrative burden reduction. As a result, the total number of indicators has been limited, the use of indicators

<sup>14</sup> The complete list of impact, result, output and context indicators is provided in Annex 6.

based on existing, well-established data sources is encouraged as well as reuse of information already provided by Member States, e.g. via communications or Eurostat. The use of these well-established data sources also contributes to the reliability of the indicators.

### **Evaluation of the spending programmes**

At EU level, the contributions of the policy towards the three general objectives will be evaluated in line with Article 30 of the Financial Regulation, Article 18 of the Rules of Application and the Commission guidelines for evaluations (efficiency, effectiveness, relevance, coherence, EU value added). To this aim, calls for tenders for a number of framework contracts will be published during 2015. More details of the evaluation planning can be found in the DG AGRI evaluation plan annexed to this document. The results of these evaluations will serve as input to the reporting on the results and impact of the policy, and where necessary, adaptations to the policy implementation and/or design.

Additionally, specific evaluation requirements are laid down for each Rural Development Programme.

### **Monitoring and Evaluation Framework 2014-2020 and its link to the Management Plan 2015**

The Monitoring and Evaluation Framework covers in the MP 2014 three main ABBs: ABB 02 (interventions on the agricultural markets), ABB 03 (direct aid) and ABB 04 (rural development). For the financial year 2015 which is a transitional year (payments for 2014) for direct payments (ABB 03), the framework used as a basis for MP 2015 was the 2007-2013 monitoring framework (i.e. used in the MP 2013 and 2014). Still, for this ABB a link of the specific objectives of the 2007-2013 programming period to the general objectives of the new programming period 2014-2020 is indicated.

Where relevant, the framework in the 2015 MP is based on the outcome of the agreement reflected in the programme statements.

### 3.3 External factors influencing the CAP reaching its objectives

Agriculture, being the primary sector responsible for the production of food, feed and biomass, takes place in a context that reflects the wide reach of agriculture. Agriculture depends on economic developments, as every economic sector; it interacts with nature and its production potential depends on natural resources such as soil, water and biodiversity; and agricultural activity is closely interlinked with the wider rural economy and its development. These external interactions are reflected in the three CAP general objectives. External factors have an effect on all three CAP objectives. The relative importance of the external factors differs from objective to objective, across sectors within agriculture, and geographically.

The CAP general objective of viable food production can be essentially considered as summarising the specific “economic” objectives of the CAP. Viable food production and related specific objectives such as farm income, competitiveness, and market stability depend very much on harvests, or more generally, agricultural production in the EU and other main producing areas. This in turn is influenced by natural factors such as meteorological conditions or the occurrences of pests, but also other developments influencing prices for agricultural products and inputs such as high energy or fertiliser prices might play a role (geopolitical and macroeconomic developments). Similarly, factors that influence demand for agricultural products (speculation, food scares...) can play an important role in the attainment of the objectives. In this context the impact of political decisions should not be underestimated, such as the recent Russian ban on some EU agricultural products amply demonstrates.

The general objective of sustainable management of natural resources and climate action essentially covers the ecological specific objectives of the CAP. For the attainment of these, basically the same external factors as mentioned for viable food production apply. While the CAP includes a set of actions beneficial for the climate and environment, their impact strongly depends on local conditions (eg. appropriateness of water use, measures combating soil erosion etc.) and on potential ad-hoc adverse weather events (droughts and floods) or other intervening factors (e.g. pests). In addition, the CAP instruments alone are not sufficient to counterbalance the overall negative trend for water quality, soil organic matter and biodiversity. Moreover, also here an important role is played by economic factors that influence the production- and investment decisions by farmers and behaviour of consumers.

Finally, reaching the objective of balanced territorial development depends very much on the way existing governance structures in Member States/Regions manage to use the possibilities offered by the CAP into addressing local needs, taking into account the aforementioned external factors of human or natural origin. Evidently, the challenges are not the same across the EU and also existing cultural, political, geographical or historical factors can influence the attainment of objectives. For this reason, at the level of Rural Development Programmes, a detailed ex-ante evaluation and SWOT analysis are required before the RDPs can be implemented.

To be able to better interpret the impact and result indicators of the CAP, as part of the monitoring and evaluation framework a set of context indicators have been developed. These can be found in **annex 6** and give a more elaborated picture on potential influencing factors.

## 4. SPECIFIC OBJECTIVES FOR OPERATIONAL ABB ACTIVITIES

### 4.1 ABB 02 – Interventions on the agricultural markets

The Common Market Organisation (CMO) of Agricultural Markets Regulation lays down provisions on support measures for agricultural markets, aid schemes for certain sectors/uses, the encouragement of producer cooperation and competition, marketing standards and trade in agricultural products. The added value of the intervention of the EU where it does not have exclusive competences is an improved market orientation, strengthening of the safety net for farmers and a better standing for producer cooperation. The EU competence for ensuring the proper functioning of the single market, notably for agricultural products, is based on Article 39 TFEU. When application of a market measure is at choice of the Member State, e.g. school milk, school fruit, certain wine support measures, the EU competence is based on the provisions in the basic act of the CMO, the delegated and implementing acts based on them, and the conditions for co-financing. When application of a market measure is at choice of operators (for example creating a producer organisation), and the operators decide for financial EU support (only for the fruit and vegetables or milk sector) and/or for exemption of certain competition rules, the EU competence is also laid down in the basic act.

The CMO provides for different types of EU interventions, of regulatory character:

- Public intervention (purchase and resale of goods of specific sectors)
- Private storage aid (payment for the temporary storage of goods of specified sectors)
- School fruit schemes (co-funding) and school milk scheme (flat-rate funding based on a maximum of quantity of milk per child per day)
- Operational funds in fruit and vegetables, and in the olive sector
- National Support programmes in the wine sector including mainly promotion, innovation, restructuring of vineyards, harvest insurance, and investment aids.
- Management of vine planting
- Support programmes in the apiculture and hops sectors
- Marketing standards, wine labelling and quality
- Temporary measure for sugar quotas (until 2017)
- Import and export rules for agricultural products
- Exceptional measures covering market disturbance, loss of consumer confidence after animal or plant health risks and measures to resolve specific problems
- Certain reporting requirements of the Commission covering milk, apiculture, and competition

The Commission prepares and adopts the delegated and implementing acts for these measures. In addition, the Commission is responsible towards the budget authority for the management of the EAGF, whereas, according to the principle of shared management, the payments to the beneficiaries are made by the Member States who themselves work through national or regional paying agencies accredited on the basis of a set of criteria laid down by the Commission.

<b>ABB activity: ABB 02</b>						
<b>Financial resources (€) in commitment appropriations</b>				<b>Human resources*</b>		
Operational expenditure	Administrative expenditure (managed by the service)		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	<b>(1) Heading 5 appropriations</b>	<b>(2) Other budget lines</b>				
2 400 689 000	213 055 (05010201)	166 000 (050106)	<b>2 401 068 055</b>	138	7.63	145.63

\* From 01/07/2015: one frozen post for the secondment of an official to CHAFFEA

<b>Relevant general objective(s): Viable food production</b>									
<b>Specific objective 1: To improve the competitiveness of the agricultural sector and enhance its value share in the food chain</b> <input checked="" type="checkbox"/> Programme-based: EAGF <input type="checkbox"/> Non-programme-based									
Result indicator: <b>Share of EU agricultural exports in world market</b> Definition: Share of EU agricultural exports in world exports is defined as the value of EU exports of agricultural goods/value of total world exports of agricultural goods. Source: EUROSTAT and related specific statistics									
Baseline (2011)	Target 2015								
16.7%	To maintain <i>Regulation n° 1308/2013</i>								
Result indicator: <b>Share of value added for primary products in the food chain</b> Definition: The indicator looks at the value added of the primary production in comparison to other stages of the food chain (mainly food manufacturing, food distribution and food service activities). Source: Eurostat – National Accounts									
Baseline (2010)	Target 2015								
<table border="1"> <thead> <tr> <th>EU-27</th> <th>Value added (in EUR million)</th> </tr> </thead> <tbody> <tr> <td>Primary</td> <td>180.6</td> </tr> <tr> <td>Processing</td> <td>203.9</td> </tr> <tr> <td>Retail*</td> <td>373.2</td> </tr> </tbody> </table> <p>*2009 figures</p>	EU-27	Value added (in EUR million)	Primary	180.6	Processing	203.9	Retail*	373.2	Higher share of value added for primary products in the food chain <i>Regulation n° 1308/2013</i>
EU-27	Value added (in EUR million)								
Primary	180.6								
Processing	203.9								
Retail*	373.2								

Result indicator: **EU commodity prices compared to world prices**

Source: EUROSTAT and related specific statistics

Baseline (December 2012)

Target 2015

Price indices

(Jan 2000 = 100)

World										
Beef	Chicken	Pork	Wheat US SRW	Wheat US HRW	Maize	Barley	Butter	Cheddar	SMP	WMP
221,9	167,7	211,0	333,3	324,6	334,8	358,0	268,4	225,4	221,1	210,2

European Union									
Beef	Chicken	Pork	Soft wheat	Maize	Barley	Butter	Cheddar	SMP	WMP
135,8	143,7	154,4	183,0	172,1	183,6	109,0	107,5	115,7	108,6

Absolute prices

World										
Beef	Chicken	Pork	Wheat US SRW	Wheat US HRW	Maize	Barley	Butter	Cheddar	SMP	WMP
(\$/100kg)	(\$/100kg)	(\$/100kg carcass)	(\$/mt)	(\$/mt)	(\$/mt)	(\$/mt)	(\$/mt)	(\$/mt)	(\$/mt)	(\$/mt)
431,6	215,3	175,7	325,1	359,5	310,2	315,0	3 288,0	4 000,0	3 400,0	3 338,0

European Union									
Beef	Chicken	Pork	Soft wheat	Maize	Barley	Butter	Cheddar	SMP	WMP
EUR/100 kg	EUR/100 kg	EUR/100 kg	EUR/mt	EUR/mt	EUR/mt	EUR/mt	EUR/mt	EUR/mt	EUR/mt
395,1	193,3	174,2	258,1	241,0	238,7	3 380,0	3 398,0	2 669,0	2 954,0

Prices brought closer to the world prices

Regulation n° 1308/2013

**Planned evaluation:**

- Beef labelling rules – completion in 2015.
- Evaluation of the milk package – completion in 2017.
- Evaluation of the impact of the CAP measures towards the viable food production in the cereals sector – completion in 2018.
- Evaluation of the impact of the CAP measures towards the viable food production in fruits and vegetables – completion in 2019.

**Main outputs in 2015**

Description	Indicator	Target
Delegated and Implementing acts on the alignment and simplification of the rules concerning the Wine and the Fruit & Vegetables support programmes	Adoption by the Commission	4 <sup>th</sup> quarter 2015

Data on price difference between internal market and world market	Price comparison for the main sectors: cereals, beef, poultry, pig meat, milk, (sugar, wine to be considered.)	2015
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**External factors affecting the Specific objective 1: To improve the competitiveness of the agricultural sector and enhance its value share in the food chain**

Exchange rate EUR/\$US- As the European Union's agricultural markets are increasingly integrated in the global markets, the competitiveness of the sector lies not only in its productivity and profitability, but also in the macroeconomic climate. The potential strengthening of the Euro vis-à-vis other currencies in which commodities are traded (especially US dollar) would make EU products more expensive, thus less price competitive.

<b>Relevant general objective(s): Viable food production</b>	
<b>Specific objective 2: To maintain market stability</b>	<input checked="" type="checkbox"/> Programme-based: EAGF <input type="checkbox"/> Non-programme-based
Result indicator: <b>Export refunds</b> Definition: Ratio of the volume of the products exported with export refunds and the total EU production per given period. Source: DG AGRI	
Baseline (December 2013)	Target 2015
0%	Used only in case of a crisis (seen against market developments) <i>Regulation n° 1308/2013</i>
Result indicator: <b>Public intervention</b> Definition: Ratio of volume of the products bought into intervention storage and the total EU production of those respective products Source: DG AGRI	
Baseline (2012)	Target 2015
0%	Used only in case of need (seen against market developments) <i>Regulation n° 1308/2013</i>
Result indicator: <b>Private storage</b> Definition: Ratio of volume of the products on which aid for private storage is paid and the total EU production of those respective products Source: Market monitoring data DG AGRI	
Baseline (2013)	Target 2015
Butter: 4% Other eligible sectors: 0%	Used only in case of need (seen against market developments) <i>Regulation n° 1308/2013</i>
<b>Planned evaluation:</b> This specific objective will be evaluated under the framework contract for the evaluation of the contribution of the CAP to the general objective "viable food production".	



Main outputs in 2015		
Description	Indicator	Target
Market measures	Regulatory adoptions	2015
Exceptional measures with a particular emphasis on the follow-up of the Russian embargo. In particular, with the opening of intervention for butter and SMP on 1 January, it is possible that some quantities of these products are brought in. In such a case, the necessary measures will have to be put in place to secure the smooth release of these quantities back into the market when the situation would make this advisable.	Quick reaction whenever necessary	2015

### External factors affecting the Specific objective 2: To maintain market stability

1. Exchange rate EUR/\$US - As the European Union's agricultural markets are increasingly integrated in the global markets, the competitiveness of the sector lies not only in its productivity and profitability, but also in the macroeconomic climate. The potential strengthening of the Euro vis-à-vis other currencies in which commodities are traded (especially US dollar) would make EU products more expensive, thus less price competitive.
2. Russian ban for some EU products - As the exports of EU agrifood products steadily increase, the changing trade policies of partner countries can impact market stability by closing a certain export outlet and leading to oversupply on the internal market. Russia, one of the main export destination of EU agricultural exports, imposed a ban on imports of certain agricultural products from the EU (dairy, meats and fruits and vegetables) in August 2014, thus creating market uncertainty about possible new outlets for products traditionally exported to Russia and anticipation of oversupply on the EU market, especially for the perishable products (fresh fruits and vegetables) but also dairy products, destabilising internal EU market.

**Relevant general objective: Sustainable management of natural resources and climate action**

**Specific objective 3: To meet consumer expectations**

Programme-based: EAGF

Non-programme-based

Result indicator: *See Result indicator EU commodity prices compared to world prices above*

**Planned evaluations:**

- Evaluation of the school milk and school fruit and vegetable schemes for subsidiarity, proportionality and better regulation reasons as part of the CAP simplification – completion in 2015.
- Evaluation of the application of Article 29 of Regulation (EU) No 1308/2013 to the olive oil and table olives sector – completion in 2017.
- Impact of EU agricultural promotion policy – internal and third countries markets – completion in 2019.

**Main outputs in 2015**

Description	Indicator	Target
To follow-up reports to EP and Council on the feasibility of origin labelling for <ul style="list-style-type: none"> <li>• Unprocessed foods (except fruit and vegetables, and meat which are already covered),</li> <li>• Single ingredient products (except wine, olive oil, and honey which are already covered),</li> <li>• Ingredients representing more than 50% of a food (co-production with DG SANCO)</li> <li>• milk, and milk used as an ingredient in dairy products</li> <li>• fresh and frozen meats other than beef, pig, sheep, goats and poultry.</li> </ul>	Adoption by the Commission	Adoption expected by beginning 2015. The discussion in EP and Council is expected to take place during 2015.
Adoption of revised and updated legislation on marketing standards in the poultry sector	Adoption by the Commission	2015
Implementation of the measures concerning the apiculture	Adoption of delegated and implementing acts	2015
Development of the market situation in the milk and milk products sector		

## Expenditure-related outputs (for all specific objectives)

Description	Indicator	Target	Budget 2015	
			Budget item	EUR million <sup>15</sup>
Fruit & vegetables	Proportion of the value of production marketed through producer organisations in value of the total production	Known autumn 2015	05 02 08 03	541.5 <sup>(16)</sup>
Wine: National envelope	Restructuring - Number of hectares <sup>17</sup>	Approx. 55 000	05 02 09 08	480
Wine: National envelope	Investments and promotion - Number of beneficiaries <sup>18</sup>	Approx. 3 500	05 02 09 08	479
Public intervention	Volume of intervention stocks	Pm	05 02	0
Private storage	Volume of private storage (butter) – in tonnes	159 000	05 02 12	0 <sup>19</sup>
Promotion programmes – Payments by Member State	Number of programmes accepted	44 <sup>20</sup>	05 02 10 01	64
School fruit scheme	Number of beneficiaries	Around 8,6 million children <sup>21</sup>	05 02 08 12	144
School milk scheme	Number of beneficiaries and quantity of milk and milk products on which aid has been paid	20.4 million children and 312 706 tonnes of milk and milk products on which aid has been paid (school year 2011-12)	05 02 12 08	77

<sup>15</sup> In commitment appropriations

<sup>16</sup> The figure relates to commitment appropriations and does not include the estimated assigned revenue to be available to this budget item at EUR 362.4 million.

<sup>17</sup> Outputs are based on the 2013 budget, pending the notification of Member States' programmes.

<sup>18</sup> Outputs are based on the 2013 budget, pending the notification of Member States' programmes.

<sup>19</sup> The figure relates to commitment appropriations and does not include the estimated assigned revenue to be available to this budget item at EUR 14.3 million.

<sup>20</sup> Figure for 2013.

<sup>21</sup> Based on the analysis of monitoring reports 2012/2013: 61 000 schools and around 8.6 million children; 24 Member States participating in 2012/2013; School year 2011/2012: 55 000 schools, around 8.1 million children.

## 4.2 ABB 03 – Direct Aids

Article 39(1)b of the Treaty on the Functioning of the European Union (TFEU) lays down that one of the objectives of agricultural policy is "to ensure a fair standard of living for the agricultural community, in particular by increasing the individual earnings by persons engaged in agriculture". This objective is to be reached by a common policy, whose justification at EU level is detailed under general objectives.

By providing a basic support for agricultural income, direct aids also contribute to the objective of a regional balance in land use and agricultural activities. As main user of land, agriculture has a unique role to play in the management of natural resources and as a provider of public and largely non-marketable goods and services, preserving biodiversity and landscapes, as well as contributing to the provision of clean water, soil and air.

By means of their high transfer efficiency direct aids support and stabilise farmers' incomes and allow a socially acceptable adaptation process towards a more competitive European agriculture in the face of new challenges.

The responsibilities of the Commission are to ensure proper interpretation and implementation of the rules by Member States by providing adequate support and information through Management Committees, Experts Groups meetings, bilateral meetings and written replies to Member States representatives, organisations, stakeholders, etc.

Management and implementation of the direct support system as set out in Council Regulation (EC) No 73/2009 requires the administration of various Commission Regulations laying down detailed implementing rules as well as their adaptation over time, notably within the framework of the Management Committee for "Direct Payments". This also includes the provision, by the Commission, of the legislative framework with regard to the Integrated Administration and Control System (IACS), in particular with regard to the Land Parcel Identification System (LPIS).

The management and implementation of the direct support system requires the transmission by the Member States of data (communications) and assessment of a number of payments by the Commission (as for instance the specific support under Article 68 of Council Regulation (EC) No 73/2009). This is the purpose of the ISAMM<sup>22</sup> system.

The new Regulation on Direct Payments<sup>23</sup> and the new Horizontal Regulation<sup>24</sup> on the financing, management and monitoring of the CAP were adopted in December 2013 by the Council and the EP.

The regulations include a new architecture of direct payments with a Basic Payment Scheme plus mandatory additional layers consisting of the Payment for agricultural practices beneficial for the climate and the environment ("greening") and the Young Farmers Scheme. Furthermore, optional schemes may be introduced by Member States, such as the Small Farmers' Scheme, Payment for Areas with Natural Constraints, or Voluntary Coupled Support. The new regulation reinforces the definition of an "active farmer".

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<sup>22</sup> Information System for Agricultural Market Management and Monitoring

<sup>23</sup> Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) N° 637/2008 and Council Regulation (EC) N° 73/2009, OJ L 347 of 20.12.2013

<sup>24</sup> Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008, OJ L 347 of 20.12.2013

The reformed system of direct support will become applicable from 1 January 2015. To ensure the transition for the year 2014, a Regulation<sup>25</sup> of the European Parliament and of the Council laying down certain transitional provisions and amending Council Regulation (EC) No 73/2009 as regards its application in the year 2014 was adopted in December 2013. The Commission delegated Regulation (EU) No 639/2014 and the Commission Implementing Regulation (EU) No 641/2014 supplementing the basic act for direct payments were adopted by the Commission and published on 20 June 2014. Detailed provisions regarding the Integrated Administration and Control System (IACS) are set out in the Commission delegated Regulation No 640/2014 and in the Commission Implementing Regulation No 639/2014.

The direct support system is financed by the EAGF under the shared management mode. The Commission maintains a robust system of control and monitoring to ensure the sound and efficient shared financial management and the monthly reimbursement of the eligible expenditure and to account for it.

### **External factors**

Some external factors beyond the control of the Commission could affect the achievement of the 5 specific objectives linked to direct support. They can be summarised as follows:

- The projected macro-economic environment characterised by a very slow economic growth and a declining euro on the currency markets could significantly affect the perspectives for the domestic agricultural markets in 2015 and for the income situation of farmers. It could also directly impact, through the budgetary policy at Member State level and the resulting resource conditions for public administration, the implementation of the new direct support system.
- The short-term perspectives for world commodity markets (both agricultural and non-agricultural) could significantly influence EU agricultural markets and short-term developments in farm income;
- Finally other external factors of differing nature (e.g. political environment such as the Russian embargo, climatic conditions) could influence to a certain degree the projected trend on farmers' income and the effectiveness of the direct support instrument.

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<sup>25</sup> Regulation (EU) No 1310/2013 of the European Parliament and of the Council of 17 December 2013 laying down certain transitional provisions on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), amending Regulation (EU) No 1305/2013 of the European Parliament and of the Council as regards resources and their distribution in respect of the year 2014 and amending Council Regulation (EC) No 73/2009 and Regulations (EU) No 1307/2013, (EU) No 1306/2013 and (EU) No 1308/2013 of the European Parliament and of the Council as regards their application in the year 2014

**ABB activity:** ABB 03

<b>Financial resources (€) in commitment appropriations</b>			<b>Human resources</b>			
Operational expenditure (*)	Administrative expenditure (managed by the service)		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	<b>(1) Heading 5 appropriations</b>	<b>(2) Other budget lines</b>				
40 908 597 789	186 248 (05010201)		<b>40 908 784 037</b>	79	6.67	85.67

(\*) After financial discipline.

<b>Relevant general objective: Viable food production</b>	
<b>Specific objective 1: To sustain farmers' income stability by providing direct income support</b>	<input checked="" type="checkbox"/> Programme-based: EAGF <input type="checkbox"/> Non-programme-based
Result indicator: <b>Share of direct support in agricultural entrepreneurial income (family farm income)</b> Definition: The indicator gives the share of direct support (coupled and de-coupled payments) in both factor income and entrepreneurial income. Source: EAGF Financial Report and EEA - EUROSTAT	
Baseline (2013) <sup>26</sup>	Target 2015
48.9%	To maintain the ratio Regulation n° 1310/2013
<b>Planned evaluation:</b> This specific objective will be evaluated under the framework contract for the evaluation of the contribution of the CAP to the general objective "viable food production"	

<b>Relevant general objective(s): Viable food production</b>	
<b>Specific objective 2: To promote a market oriented agriculture by ensuring a significant level of decoupled income support<sup>27</sup></b>	<input checked="" type="checkbox"/> Programme-based <input type="checkbox"/> Non-programme-based
Result indicator: <b>% of total direct payments which is decoupled</b> Source: Budget 2013 + Budget 2014 + Draft Budget 2015	
Baseline (Calendar year 2013 / Budget year 2014)	Target 2015 (Calendar year 2014 / Budget year 2015)
93.54% <sup>28</sup>	92,62% <i>Amending letter</i>
<b>Planned evaluation:</b> This specific objective will be evaluated under the framework contract for the evaluation of the contribution of the CAP to the general objective "viable food production"	

<sup>26</sup> The calculation is based on 2013 budget execution data and 2013 farm income data

<sup>27</sup> The wording of this objective was adapted to take into account the provisions of the Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009, as regards their application as of 2015.

<sup>28</sup> Execution for the Budget 2014 (calendar year 2013)

<b>Relevant general objective: To promote a sustainable management of natural resources and climate action</b>	
<b>Specific objective 3: Contribute to the enhancement of the environmental performance of the CAP, the development of sustainable agriculture and to making the CAP more compatible with the expectations of the society, through the greening component of the direct payments and the cross compliance system. Contribute to preventing soil erosion, maintaining soil organic matter and soil structure, ensuring a minimum level of maintenance and avoiding the deterioration of habitats, protecting and managing water through the standards of good agricultural and environmental condition of land.<sup>29</sup></b>	
<input checked="" type="checkbox"/> Programme-based: EAGF <input type="checkbox"/> Non-programme-based	
Result indicator: <b>Share of area under greening practices<sup>30</sup></b> Source: DG AGRI	
Baseline (2013) NB: the baseline will be established in 2015 which is the first year of implementation of greening	Target 2015: establishment of the baseline Target following years: Maintain at least the share
To be completed in 2015	To be completed in 2015
Result indicator: <b>% of CAP payments covered by cross compliance</b> Source: DG AGRI	
Baseline (2013)	Target 2015
72.6%	Maintain the ratio <sup>31</sup> Regulation n° 1306/2013
Result indicator: <b>Opinion expressed by the public on cross compliance</b> Definition: Aggregate figures on the opinion by the public on cross compliance Source: Eurobarometer	
Baseline (2007)	Target 2015
83% support the reduction of direct payments to farmers not complying with environmental rules  84% support the reduction for non-compliance of animal welfare rules	Maintain the positive opinion  <i>With the cross compliance the CAP is more sustainable and more compatible with the society's expectations. Therefore if cross compliance shows an important support by the</i>

<sup>29</sup> The wording of this objective was updated to reflect the phasing in of certain measures of the 2014-2020 CAP.

<sup>30</sup> New indicator, contributing to the KPI presented in Part 2.

<sup>31</sup> In view of the payment profile for rural development, the percentage of payments covered by cross compliance was higher in the earlier part of the programming period 2007-2013. This reflects the fact that the rural development measures that are not falling under cross compliance have a different payment profile than the ones falling under cross compliance: measures not under cross compliance tend to have an increasing execution over the period and thus the % covered by cross-compliance will decrease over the programming period.



86% support the reduction of direct payment to farmers not respecting food safety rules <sup>32</sup>	<i>public opinion, its impact will be significant.</i>
<p>Result indicator: <b>Control rate for GAEC (Standards of Good Agricultural and Environmental Condition)</b></p> <p>Definition: GAECs form part of the requirements under Cross Compliance and apply to anyone who receives payments under Single Payment Scheme and certain rural development schemes</p> <p>Source: IACS statistics</p>	
Baseline (2013)	Target 2015
100 % implementation of the minimum regulatory control rate in all Member States	100% implementation of the minimum regulatory control rate  <i>Regulation n° 1306/2013</i>
<p>Result indicator: <b>The ratio of permanent pasture within a Member State in relation to the total agricultural area</b></p> <p>Source: MS annual notification (ISAMM – Information System for Agricultural Market Management and Monitoring)</p>	
Baseline (2005)	Target 2015
Ratio has not decreased beyond the limit of 10% in any Member State except Lithuania (2013)	Maintain the ratio within the limit of 10% in relation to a reference ratio  <i>Regulation n° 1310/2013</i>
<p><b>Planned evaluation:</b></p> <p>Article 68 measures – completed in 2015</p>	

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<sup>32</sup> Results of the latest Special Eurobarometer "Europeans, Agriculture and the Common Agricultural Policy" published in 2007. The next Special Eurobarometer is foreseen for 2014.

Main outputs in 2015 <sup>33</sup>		
Description	Indicator	Target
Guidance documents for the implementation of Direct Aids	Number of guidelines	Continuous process until 31/12/2015
Replies to questions from MS regarding regulatory aspects of Direct Aids	Number of replies to written questions from MS	Continuous process until 31/12/2015
Bilateral meetings to ensure a proper implementation of the CAP reform regulations by MS, specifically regarding direct support, greening and cross compliance	Number of bilateral meetings with MS	Continuous process until 31/12/2015
Meeting of the (Management) Committee for Direct Payments and of the Experts Group for Direct Payments	Number of Committees organised	Continuous process until 31/12/2015
Monitoring missions to MS	Number of missions to MS	Continuous process until 31/12/2015

#### Expenditure-related outputs (for specific objectives above)

Description	Indicator	Target	Budget 2015	
			Budget item	EUR million <sup>34</sup>
Single Payment Scheme	Number of hectares paid	107 264 005	05 03 01 01	29 342 <sup>(35)</sup>
Single area payment scheme	Number of hectares paid in accordance with the Accession Treaties and subsequent acts	41 360 000	05 03 01 02	7 806
Other				3 889
<b>TOTAL<sup>36</sup></b>				<b>40 037</b>

<sup>33</sup> Valid for the three specific objectives mentioned above

<sup>34</sup> In commitment appropriations

<sup>35</sup> The figure relates to commitment appropriations after financial discipline and does not include the estimated assigned revenue to be available to this budget item at EUR 1 245 million.

<sup>36</sup> Not including measures covered under the specific objective "To promote local agricultural production and to ensure a fair level of prices for commodities for direct consumption and for processing by local industries in the Outermost Regions of the EU and in the Aegean Islands" for which output indicators are given below and not including the amount for the reserve for agricultural crises under Article 05 03 10.

<b>Relevant general objective: Balanced territorial development</b>	
<b>Specific objective 4: To promote local agricultural production and to ensure a fair level of prices for commodities for direct consumption and for processing by local industries in the Outermost Regions of the EU and in the Aegean Islands</b>	
<input checked="" type="checkbox"/> Spending programme: EAGF <input type="checkbox"/> Non-spending	
<b>Result indicator: Support to the Local Production to maintain/develop the agricultural production</b> Definition: Utilised agricultural area (variation with respect to the previous year) <sup>37</sup> Source: MS Annual Reports	
<b>Baseline (Calendar year 2012 / Budget year 2013)</b>	<b>Target 2014</b>
<b>POSEIDOM:</b> Mainland France: 26 790 030 ha (-0,3%) Guadeloupe: 30 098 ha (-2.7%) <sup>38</sup> Martinique: 23 769 ha (-2.5%) Guyane: 25 803 ha (+0,9%) Réunion: 42 640 ha (-0,2%)  <b>POSEICAN:</b> Mainland Spain: 23 868 700 (2010 data: +0,4% variation 2009/2010) Canaries: 83 221 ha (+0,7%)  <b>POSEIMA39:</b> Mainland Portugal 3 668 145 (2009 data: +5.6% variation 2007-2009) Madeira: 5 428 ha (2009 data: +40,6%: variation 2007-2009) Azores: 120 412 ha (2009 data: +7.5%: variation 2007-2009)  Smaller AEGEAN ISLANDS: Not notified <sup>40</sup>	To at least maintain local agricultural production  Objective of the regulation 228/2013, Article 2 (1c)
<b>Planned evaluation:</b> POSEI – completion in 2016	

<sup>37</sup> In their annual implementation reports for 2012, the Member States concerned (except Greece) have communicated data related to the common performance indicators as requested by the Commission services. However, the provided data may not be fully in line with the requirements of the Commission services and thus not mutually comparable. Therefore, these indicators shall be evaluated with due caution.

<sup>38</sup> The data provided by the French authorities on the SAU in 2011 was only provisional. It was corrected in the annual report for the year 2012. This explains the differences among the data for 2011 and 2012. The variation shown in the present document is calculated on the latest data provided by the French authorities for 2011.

<sup>39</sup> In the annual reports for 2010, 2011 and 2012 the Portuguese authorities have only communicated data concerning 2009.

<sup>40</sup> The Greek authorities have not communicated any data related to the common performance indicators requested by the Commission services in its last annual reports for 2010, 2011 and 2012. In 2010 for the first time, a budget line for technical assistance was foreseen in the programme with a view to compiling a report including the agreed indicators. Nevertheless, the Greek authorities did not manage to complete the tender procedure on time, failing to provide a report with the requested elements.

Main outputs in 2015		
Description	Indicator	Target
(if needed) Modification of Commission implementing Regulation	Adoption by the College and published in EUOJ	2015
Commission decisions and DG letters for amendments approvals (according to kind of modifications)	Date of notification to the MS	2015
General report to be presented to the EP and Council showing the impact of the action taken under Regulation (EU) No 228/2013 (art.32 of this Regulation). This report will be partially based on the results of the external evaluation to be launched at the end of 2014 and executed in 2015.	Transmission from the Commission to EP and Council of the Report	December 2015/1 <sup>st</sup> quarter 2016

Relevant general objective: Balanced territorial development	
<b>Specific objective 5: Specific Supply Arrangements (SSA) to ensure the supply of essential products: SSA coverage rate (relation between quantities of products benefiting from SSA support and total quantities of the same products introduced in the respective outermost region)</b>	<input checked="" type="checkbox"/> Spending programme: EAGF <input type="checkbox"/> Non-spending
<b>Result indicator: Percentage of SSA products coverage of local needs<sup>41</sup></b> Source: MS Annual Reports	
Baseline (2012 – variations with respect to 2011)	Target 2014
POSEIDOM <sup>42</sup> (all products): 46% (-1%) POSEICAN: (cereals only): 99.11% (-0.57%) POSEIMA: Madeira (cereals only): 95.0% (-3,6%) Azores (cereals only): 88.1% (EU) (Variation not available) Smaller Aegean Islands: Not notified <sup>43</sup>	100% <i>The objective included in regulation 228/2013 Article 2 (1a) is the "guaranteed supply to the outermost regions of products essential for human consumption (...)". This target contributes to achieving this objective.</i>

<sup>41</sup> In their annual implementation reports for 2012, the Member States concerned (except Greece) have communicated data related to the common performance indicators as requested by the Commission services. However, the provided data may not be fully in line with the requirements of the Commission services and thus not mutually comparable. Therefore, these indicators shall be evaluated with due caution.

<sup>42</sup> The French authorities used in their annual report for 2011 and 2012 a different methodology and data source to calculate this indicator (calculation based on value and not quantities, data taken from customs sources and not from SSA operators).

<sup>43</sup> See footnote 35

<b>Planned evaluation:</b> POSEI – completion in 2016		
<b>Main outputs in 2015</b>		
Description	Indicator	Target
(if needed)Modification of Commission implementing Regulation	Adoption by the College and published in EUOJ	2015
Commission decisions and DG letters for amendments approvals (according to kind of modifications)	Date of notification to the MS	2015
General report to be presented to the EP and Council showing the impact of the action taken under Regulation (EU) No 228/2013 (art.32 of this Regulation). This report will be partially based on the results of the external evaluation to be launched at the end of 2014 and executed in 2015.	Transmission from the Commission to EP and Council of the Report	December 2015/1 <sup>st</sup> quarter 2016

#### Expenditure-related outputs for POSEI

Description	Indicator	Target	Budget 2015	
			Budget item	EUR million <sup>44</sup>
Regime for outermost regions of the EU: direct aids for banana reference area	Marketed quantity by MS	ES: 371.013 tons PT: 17.742 tons FR: 251.733 tons (ref. year 2012)	05 03 02 50	278
Other				161
<b>TOTAL</b>				<b>439</b>

<sup>44</sup> In commitment appropriations (after financial discipline)

## 4.3 ABB 04 – Rural development

### Objectives

As Pillar II of the CAP, rural development policy will – together with direct payments and the market measures of Pillar I – help to achieve the CAP objectives laid down in the Treaty on the Functioning of the European Union (TFEU).

In so doing it will help to deliver smart, sustainable and inclusive growth – the goals of the *Europe 2020* strategy - in coherence with the general objectives for economic and social cohesion policy laid down in the TFEU.

Under these general objectives, the long-term objectives specific to rural development policy concern: the competitiveness of the farm sector; sustainable management of natural resources, and climate action; and balanced territorial development.

These are further detailed in six "Union priorities for rural development" which relate to:

1. knowledge transfer and innovation in agriculture, forestry and rural areas;
2. farm viability and competitiveness, innovative farm technologies and sustainable management of forests;
3. food chain organisation, animal welfare and risk management in agriculture;
4. restoration, preservation and enhancement of agricultural and forest ecosystems;
5. resource efficiency and a low-carbon and climate-resilient economy in the agriculture, food and forestry sectors;
6. social inclusion, poverty reduction and economic development in rural areas.

### Co-ordination with other EU funds

In the period 2014-2020, the European Agricultural Fund for Rural Development (EAFRD – which finances rural development policy) will operate in more effective co-ordination with the other European Structural and Investment Funds (ESI Funds) - i.e. the European Regional Development Fund, the Cohesion Fund, the European Social Fund and the European Maritime and Fisheries Fund.

This improved co-ordination will be achieved through (*inter alia*):

- a Common Provisions Regulation<sup>45</sup> setting out certain harmonised implementation rules for all the ESI Funds;
- Partnership Agreements submitted by each MS, which show how a given MS will use the ESI Funds together to help achieve the objectives of the *Europe 2020* strategy.

### Delivery mechanisms: rural development programmes

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<sup>45</sup> Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006.

Rural development policy will achieve its objectives essentially through seven-year national and /or regional rural development programmes (RDPs) – drawn up by Member States / regions and approved by the Commission, according to the principle of subsidiarity.

In general, RDPs must address at least four of the Union priorities for rural development, on the basis of a thorough analysis of the specific needs of each programming area. In this way, rural development policy will build a bridge between EU-level objectives and the very particular features of the EU's diverse individual rural areas.

RDPs will address the priorities in question through a selection of rural development measures which are chosen and adapted from a "menu" set out in the Rural Development Regulation<sup>46</sup>.

The available measures offer various types of support. These include funding for investments, area-based payments, agricultural and rural business start-up, and operating costs - related to human capital, physical capital, infrastructure, land management, experimentation / development and various forms of co-operation.

A range of these measures can be used to support the European Innovation Partnership (EIP) for Agricultural Productivity and Sustainability, which will help to bridge the gap between researchers and farmers for the sake of a more profitable and resource-efficient agricultural sector.

For the sake of sustainable development, at least 30% of each RDP's EAFRD budget must be spent on specific environment- and climate-related measures.

Similarly, in order to promote bottom-up local development strategies, at least 5% of the EAFRD contribution to rural development programmes must be spent on the LEADER approach for local development - which also offers the opportunity to realise joint transnational co-operation projects between rural areas. Community-Led Local Development (CLLD) strategies can also be co-funded by the EAFRD and the other ESI Funds, for example to strengthen rural-urban interlinks and cooperation.

### **Delivery mechanisms: other elements**

To ensure that EAFRD funding delivers maximum value for money, Member States must demonstrate that certain "ex ante conditionalities" (i.e. important general pre-conditions for funding) are met – or else submit action plans explaining how they will be met by a certain deadline. In serious cases of non-fulfilment, some payments could be suspended.

Another new responsibility for Member States is to demonstrate that rural development measures as they have programmed them are verifiable and controllable.

A performance framework system has been established to link the use of a RDP's full budget to sufficient performance levels in the implementation of that RDP.

RDPs will be aimed squarely at delivering measurable results, through the establishment of *ex ante* targets (based on a set of common result indicators) in relation to all the priorities and focus areas (sub-priorities) addressed by the programmes. A Common Monitoring and Evaluation Framework (CMEF) will provide the basis for regular follow-up of RDPs' performance.

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<sup>46</sup> Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005

Finally, rural development policy's effectiveness will be underpinned by networking – including exchanges of ideas on good practice - between various interested parties. The main vehicle for networking is the European Network for Rural Development, interfaced with national networks. There will also be a dedicated EIP network at EU level to support the EIP approach (see above).

### **The responsibilities of the Commission**

Rural development policy is based on shared management. Member State authorities therefore have a crucial role in ensuring sound financial management and implementing RDPs effectively in order to achieve the policy's objectives.

However, the Commission also has substantial responsibilities.

When RDPs are negotiated (or subsequently modified), the Commission will play an essential role in ensuring that what Member States / regions propose in their programmes is in line with the relevant legislation and the policy's strategic framework, within the limits of subsidiarity.

The Commission has already made a contribution in this area, for example by providing a comprehensive set of guidance documents. This work will continue. A dedicated management committee will provide a forum for regular dialogue between the Commission and Member States.

In the interests of sound financial management, and in accordance with Article 317 of the Treaty, the Commission will carry out the measures and controls laid down in the new Horizontal Regulation<sup>47</sup>. This includes audits, management and control procedures, and annual clearance of accounts and conformity audits, which could lead to financial corrections.

In the period 2014-2020, the Commission has new powers in the area of financial management – the right to suspend payments to a Member State if systemic deficiencies are found in that Member State's control systems.

Finally, the Commission is closely involved in the process of monitoring and evaluation mentioned above. Two major monitoring milestones will come in 2017 and 2019, linked to the performance framework.

### **Horizontal issues under the CAP: protecting geographical indications and organic farming**

The EU's policy instruments concerning geographical indications and organic farming are closely linked to rural development policy, but also to Pillar I of the CAP.

With respect to Protected Designations of Origin (PDO), Protected Geographical Indications (PGI) and Traditional Specialties Guaranteed (TSG) for foodstuffs, wines, aromatised wines and spirit drinks, the Commission manages the registration of new names for such products, registers of existing names, and supervises related control systems put in place by Member States. Registered names enjoy a high level of protection against all kinds of misuse. It has been shown that protection of such names can help maintaining production and jobs in rural areas. The right to sell products with a protected geographical indication can also allow producers to obtain a better price. At the same time, consumers have assurance that a product is actually coming from a given region, and has special characteristics because of this origin. Managing the rules for organic farming in the framework of the

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<sup>47</sup> Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008, OJ L 347 of 20.12.2013



CAP is the second big chapter of EU agricultural quality policy. The Commission is responsible for the European Union's legal framework for organic agricultural production, including EU-wide harmonised rules on organic production, as well as rules on labelling, controls and imports. It is the Commission's role to ensure effective supervision of the organic production system. The 2014 "Action Plan for the future of Organic Production in the European Union" aims to further develop the EU organic sector, to ensure consumer confidence in the EU organic production scheme and to reinforce the external dimension of EU organic production.

**N.B. Baseline, milestones and targets for all indicators will be provided once the programming is finalised.**

<b>ABB activity: ABB 04</b>						
<b>Financial resources (€) in commitment appropriations</b>				<b>Human resources</b>		
Operational expenditure	Administrative expenditure (managed by the service)		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	<b>(1) Heading 5 appropriations</b>	<b>(2) Other budget lines</b>				
13 819 166 077	1 082 865 (05010201)	4 450 000 (05010404)	<b>13 824 698 942</b>	224	38.78	262.78

**Planned evaluations for ABB 04:**

- Ex-ante evaluation synthesis of RDPs 2014-2020 – completion in 2015.
- Technical assistance for RD evaluation 2014-2020 (Helpdesk) – annual from 2015.
- Synthesis of Rural Development 2007-2013 ex-post evaluations – completion in 2017.

<b>Relevant general objectives: This specific objective contributes to achieving all three general objectives of the CAP.</b>		
<b>Specific objective 1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas (Priority 1)</b>		
<input checked="" type="checkbox"/> Spending programme: EAFRD <input type="checkbox"/> Non-spending		
<b>Result indicator: % of expenditure for the three measures <i>Knowledge transfer &amp; information action, advisory services and cooperation</i> in relation to the total expenditure for the RDP</b> (Focus area 1A: Fostering innovation and the knowledge base in rural areas) Source: Rural development programmes		
Baseline <sup>48</sup> (2013)	Milestone 2018	Target 2023 <sup>49</sup>
		<i>To be aggregated from targets set in RDPs</i>
<b>Result indicator: Number of cooperation operations planned under the cooperation measure (groups, networks/clusters, pilot projects)</b> (Focus area 1B: strengthening the links between agriculture and forestry and research and innovation) Source: Rural development programmes		
Baseline (2013)	Milestone 2018	Target 2023
		<i>To be aggregated from targets set in RDPs</i>
<b>Result indicator: Total number of participants trained (across all focus areas)</b> (Focus area 1C: fostering lifelong learning and vocational training in agriculture and forestry sectors) Source: Rural development programmes		
Baseline (2013)	Milestone 2018	Target 2023
		<i>To be aggregated from targets set in RDPs</i>
<b>Planned evaluation:</b> EIP agricultural productivity and sustainability – completion in 2016		

<sup>48</sup> Baseline is 0 at the start of the programming period and all the targets are cumulated over the period.

<sup>49</sup> For the new generation of spending programmes, targets are set for 2020 in programming and for 2023 in implementing terms. These quantified targets will become available in the course of 2015 (RDPs approval).

<b>Relevant general objective: Viable food production</b>		
<b>Specific objective 2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and sustainable management of forest (Priority 2)</b>		
<input checked="" type="checkbox"/> Spending programme: EAFRD <input type="checkbox"/> Non-spending		
<b>Result indicator: % of agricultural holdings with RDP support for investment in restructuring or modernisation</b> (Focus area 2A: improving the economic performance of all farms and facilitating farm restructuring and modernisation notably with a view to increase market participation and orientation, as well as agricultural diversification) Source: Rural development programmes		
Baseline (2013)	Milestone 2018	Target 2023
		<i>To be aggregated from targets set in RDPs</i>
<b>Result indicator: % of agricultural holdings with RDP supported business development plan/investments for young farmers</b> (Focus area 2B: facilitating entry of adequately skilled farmers into the agricultural sector and in particular generational renewal) Source: Rural development programmes		
Baseline (2013)	Milestone 2018	Target 2023
		<i>To be aggregated from targets set in RDPs</i>

<b>Relevant general objective: Viable food production</b>		
<b>Specific objective 3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture (Priority 3)</b>		
<input checked="" type="checkbox"/> Spending programme: EAFRD <input type="checkbox"/> Non-spending		
<b>Result indicator: % of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations</b> (Focus area 3A: improving competitiveness of primary producers by better integrating them into the food chain through quality schemes, promotion in local markets and short supply circuits, producer groups and inter-branch organisations) Source: Rural development programmes		
Baseline (2013)	Milestone 2018	Target 2023
		<i>To be aggregated from targets set in RDPs</i>
<b>Result indicator: % of farms participating in risk management schemes</b> (Focus area 3B: supporting farm risk management) Source: Rural development programmes		
Baseline (2013)	Milestone 2018	Target 2023
		<i>To be aggregated from targets set in RDPs</i>
<b>Main outputs in 2015</b>		
<b>Description</b>	<b>Indicator</b>	<b>Target</b>
Register PDO/PGI/TSG names and publish in the OJ single documents and product specifications, ensure public accurate information concerning registered PDO's and PGI's and TSG's	Legal compliance of examination provisions	On-going
Draft implementing and delegated acts for wine PDO/PGI.	Adoption of implementing and delegated acts.	1 delegated act + 1 implementing Regulation by end 2015
Contribute to a coherent control system for PDO/PGI/TSG (follow-up of the FVO audit program and related activities)	Contribution to FVO audits in Member States  Member States' annual reports checked	On-going
Review the potential for further simplification of EU system of geographical indications	Screening and proposals if appropriate	By end 2015
New legislative and political framework on organic production	Adoption by the European Parliament and the Council Implementation of Action Plan for the future of Organic Production in the European Union	2015  Ongoing
Effective supervision of the set up	Contribution to FVO audits in	Ongoing

and functioning of the control system for organic production in Member States, recognised third countries and recognised control bodies for import of organic products	Member States, recognised third countries and recognised control bodies for import of organic products  Assessment of annual reports  Follow-up to irregularities	
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<b>Relevant general objective: Sustainable management of natural resources and climate action</b>		
<b>Specific objective 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry (Priority 4)</b>		
		<input checked="" type="checkbox"/> Spending programme: EAFRD <input type="checkbox"/> Non-spending
Result indicator*: <b>a) % of agricultural land under management contracts supporting biodiversity and/or landscapes b) % of forest area/other wooded land under management contracts supporting biodiversity</b> (Focus area 4A: Restoring and preserving and enhancing biodiversity, including in Natura 2000 area, areas facing natural constraints and high nature value farming and the state of European landscapes) Source: Rural development programmes		
Baseline (2013)	Milestone 2018	Target 2023
		<i>To be aggregated from targets set in RDPs</i>
Result indicator*: <b>a) % of agricultural land under management contracts to improve water management b) % of forestry land under management contracts to improve water management</b> (Focus area 4B: improving water management including fertiliser and pesticide management) Source: Rural development programmes		
Baseline (2013)	Milestone 2018	Target 2023
		<i>To be aggregated from targets set in RDPs</i>
Result indicator*: <b>a) % of agricultural land under management contracts to prevent soil erosion and to improve soil management b) % of forestry land under management contracts to prevent soil erosion and to improve soil management</b> (Focus area 4C: preventing soil erosion and improving soil management) Source: Rural development programmes		
Baseline (2013)	Milestone 2018	Target 2023
		<i>To be aggregated from targets set in RDPs</i>

\* Contributing to the KPI presented in **Part 2**

<b>Relevant general objective: Sustainable management of natural resources and climate action</b>		
<b>Specific objective 5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors (Priority 5)</b>		
<input checked="" type="checkbox"/> Spending programme: EAFRD <input type="checkbox"/> Non-spending		
Result indicator: <b>% of irrigated land switching to more efficient irrigation systems</b> (Focus area 5A: increasing efficiency in water use by agriculture) Source: Rural development programmes		
Baseline (2013)	Milestone 2018	Target 2023
		<i>To be aggregated from targets set in RDPs</i>
Result indicator: <b>Total investment for energy efficiency</b> (Focus area 5B: increasing efficiency in energy use in agriculture and food processing) Source: Rural development programmes		
Baseline (2013)	Milestone 2018	Target 2023
		<i>To be aggregated from targets set in RDPs</i>
Result indicator: <b>Total investment in renewable energy production</b> (Focus area 5C: Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for purposes of the bio-economy) Source: Rural development programmes		
Baseline (2013)	Milestone 2018	Target 2023
		<i>To be aggregated from targets set in RDPs</i>
Result indicator*: <b>a) % of LU concerned by investments in livestock management in view of reducing GHG and/or ammonia emissions b) % of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions</b> (Focus area 5D: Reducing GHG and ammonia emissions from agriculture) Source: Rural development programmes		
Baseline (2013)	Milestone 2018	Target 2023
		<i>To be aggregated from targets set in RDPs</i>
Result indicator*: <b>% of agricultural and forest area under management contracts contributing to carbon sequestration and conservation</b> (Focus area 5E: Fostering carbon sequestration in agriculture and forestry) Source: Rural development programmes		
Baseline (2013)	Milestone 2018	Target 2023
		<i>To be aggregated from targets set in RDPs</i>

\*Contributing to the KPI presented in **Part 2**

<b>Relevant general objective: Balanced territorial development</b>		
<b>Specific objective 6: Promoting social inclusion, poverty reduction and economic development in rural areas (Priority 6)</b>		<input checked="" type="checkbox"/> Spending programme: EAFRD <input type="checkbox"/> Non-spending
Result indicator: <b>Number of jobs created through supported projects</b> (not LEADER) (Focus area 6A: Facilitating diversification, creation of new small enterprises and job creation) Source: Rural development programmes		
Baseline (2013)	Milestone 2018	Target 2023
		<i>To be aggregated from targets set in RDPs</i>
Result indicator: <b>a) % of rural population covered by local development strategies</b> <b>b) Number of jobs created through supported projects (LEADER)</b> <b>c) % of rural population benefiting from improved services / infrastructures (Focus area 6B: Fostering local development in rural areas)</b> Source: Rural development programmes		
Baseline (2013)	Milestone 2018	Target 2023
		<i>Aggregated from targets set in RDPs</i>
Result indicator: <b>% of rural population benefiting from improved IT infrastructures/services</b> (Focus area 6C: Enhancing accessibility to use and quality of information and communication technologies (ICT) in rural areas) Source: Rural development programmes		
Baseline (2013)	Milestone 2018	Target 2023
		<i>Aggregated from targets set in RDPs</i>
<b>Main outputs in 2015</b>		
Description	Indicator	Target
2014-2020 ENRD fully effective		2015

**Expenditure related outputs 2007-2013<sup>50</sup>**

<b>Increase the competitiveness of agriculture, forestry and the food industry through support for restructuring, innovation and value added quality products</b>		
<b>Main expenditure-related outputs</b>	<b>Output (no)</b>	
	<b>2007/13</b>	<b>2007-2013<sup>51</sup></b>
Training activity related to agriculture and/of forestry (Number of participants that successfully finalised training)	2 400 000	2 774 000
Modernisation projects on farms (Number of projects)	379 050	574 959
Supported enterprises for adding value projects (Number)	22 885	34 029
Participation in quality schemes under Rural Development Programs (Number of farms)	370 489	283 705

<b>Improving the environment and the countryside through support for sustainable land and forest management with specific focus on biodiversity, organic farming, high nature value farming, water and climate change,</b>		
<b>Main expenditure-related outputs</b>	<b>Output (no)</b>	
	<b>2007/13</b>	<b>2007-2013</b>
Support under agri-environment (Number of hectares)	46 300 000	47 000 000
Support in Less Favoured Areas (Number of hectares)	55 350 000	55 500 000
Support under Natura 2000 (Number of ha)	1 519 272	1 320 321
Afforested land (Number of hectares)	338 897	694 168
Organic farming supported by agri-environmental measures in the framework of RDP (Number of ha)	7 200 000	NA
Genetic resources supported in the framework of RDP (Number of actions)	10 500 applications	NA

<b>Improving the quality of life in rural areas and encouraging diversification of economic activity through the development of new economic activities/creation of new jobs and contributing to an adequate level of services for the rural economy,</b>		
<b>Main expenditure-related outputs</b>	<b>Output (no)</b>	
	<b>2007/13</b>	<b>2007-2013</b>
Number of new tourist actions supported	19 436	31 739
Number of villages renewed	39 434	29 063
Number of micro-enterprises supported/created	61 761	73 344

<sup>50</sup> Monitoring data covering 2007-2013 submitted in the Annual Progress Report 2013, Data subject to corrections.

<sup>51</sup> Targets are set for 2013 in programming and for 2015 in implementing terms



## 4.4ABB 05 – Instrument for Pre-Accession Assistance for Rural Development Programmes under the Agriculture and Rural Development Policy Area

This activity is an integral part of the broader EU pre-accession strategy under the Instrument for Pre-Accession Assistance (IPA I and IPA II) to support the Enlargement policy of the Union in Croatia (phasing –out), the Candidate Countries (Turkey, Serbia, the former Yugoslav Republic of Macedonia and Montenegro) and in the potential Candidate Countries (Bosnia and Herzegovina, Kosovo<sup>52</sup> and Albania). Enlargement policy itself is part of the external action of the Union and contributes to meeting the common objectives in terms of global challenges, global response and global leadership. The Enlargement policy contributes to ensuring stability, security and prosperity in the immediate neighbourhood of the Union.

The successive enlargement of the EU is by its very nature a common task which can be pursued only at EU level. Only the Member States acting together can decide on the accession requests by new candidates and give thus value-added to the enlargement process. Granting pre-accession assistance under one single IPA instrument on the basis of a single set of criteria is more efficient than granting assistance from multiple sources (including the national budgets of the Member States) following different procedures and priorities.

Pre-accession assistance in the field of agriculture and rural development will be implemented under multi-annual programs which are based on the basic principles and rules applied for rural development programs for Member States. This is required as beneficiary countries need to be supported to prepare for the implementation of the CAP upon accession and to develop and adapt their farming, food production and rural development structures in a sustainable way as well as to upgrade to EU standards. Their national administrations also need support to develop the capacity required for the effective and efficient management and control of policies and programmes in the field of CAP and rural development.

Thus activity ABB 05 is contributing to the development of the human and physical capital, by increasing food-safety and the ability of the agri-food sectors to cope with competitive pressure and market forces as well as to progressively align with the Union standards, while pursuing economic, social and environmental goals in balanced territorial development of rural areas. Additionally investment support is channelled through management and control systems which correspond to the good governance standards and the principles of modern and efficient public administration, and resemble the respective structures with functions of a similar nature in the EU Member States.

Assistance under these programmes is based on the condition that the beneficiary countries have set up the required institutions and management and control systems for the implementation of IPARD. IPARD provides support to the beneficiary countries' national administrations to implement certain types of rural development measures and approaches, including agri-environmental schemes and LEADER type measures. Operationally, this is ensured through the conclusion of Framework, Sectoral and Financing Agreements for the decentralised management of IPARD programmes in accordance with financial management and control rules of the EU and through the approval, monitoring and evaluation of IPARD programmes in partnership with the beneficiary countries.

The activity also includes the follow-up of the implementation of IPARD I programmes for Turkey, the

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<sup>52</sup> This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

former Yugoslav Republic of Macedonia and the new Member State Croatia and the closure of the former Special Accession Programme for Agriculture and Rural Development (SAPARD) programmes for Romania, Bulgaria and Croatia for which the final balance of the EU funds still has to be settled in 2014. Finally, under this activity input and advice is provided to beneficiary countries in the framework of programming under the institution building part of the IPA policy area "agriculture and rural development".

This activity contributes to achieving all three general objectives of the CAP.

<b>ABB activity: ABB 05</b>						
<b>Financial resources (€) in commitment appropriations</b>			<b>Human resources</b>			
Operational expenditure	Administrative expenditure (managed by the service)		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	<b>(1) Heading 5 appropriations</b>	<b>(2) Other budget lines</b>				
94 000 000	139 616 (05010201)	497 475 (05010403)	<b>94 637 091</b>	9	5	14

<b>Relevant general objectives: The specific objective contributes to all three general objectives of the CAP and to IPA general objective "support the beneficiaries listed in Annex I [of IPA II Regulation] in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required by those beneficiaries in order to comply with the Union's values and to progressively align to Union's rules, standards, policies and practices with a view to Union membership."</b>		
<b>Specific objective 1: To contribute to the sustainable adaptation of the agricultural sector and rural areas in the three countries (Bulgaria, Romania and Croatia) eligible for Sapard support until 2009</b>		
<input checked="" type="checkbox"/> Programme-based: SAPARD <input type="checkbox"/> Non-programme-based		
<b>Result indicator: All Sapard programmes closed in accordance with the Multi-Annual Financing Agreement (MAFA) concluded with the three countries.</b> Source: MAFA		
Baseline (2013)	Target (mid-term)	
Final amounts calculated. They still need to be confirmed by a final "clearance of accounts" decision	2015 <i>This target was agreed internally in view of the clearance of accounts</i>	
<b>Main outputs in 2015</b>		
Description	Indicator	Target
SAPARD programs of HR, RO and BG closed.	Final balance settled for the SAPARD programs of HR, RO and BG.	2015
<b>Planned evaluation:</b> The evaluation of this programme has already been conducted.		

**External factors affecting the Specific objective 1: none.**

<p><b>Relevant general objectives:</b> The specific objective contributes to all three general objectives of the CAP and to IPA general objective "support candidate countries and potential candidates ('beneficiary countries') in implementing the political, institutional, legal, administrative, social and economic reforms required by those beneficiaries in order to comply with the Union's values and to progressively align to Union rules, standards, policies and practices with a view to Union membership."</p>	
<p><b>Specific objective 2<sup>53</sup>:</b> To contribute to the sustainable adaptation of the agricultural sector and rural areas and to the new Member State Croatia's and Candidate Countries' preparation for the implementation of the <i>acquis communautaire</i> concerning the CAP and related policies under IPARD 2007-2013 (IPARD I) by:</p> <p>1. improving market efficiency and implementation of Union standards,</p> <p>2. preparatory actions for the implementation of the agri-environmental measures and local rural development strategies,</p> <p>3. development of the rural economy.<sup>54</sup></p>	
<p><b>1. Improving market efficiency and implementation of Union standards (AXIS 1)</b></p>	
<p>Result indicator: <b>Number of applications received</b></p> <p>Source: IPARD programs 2007-2013, bi-annual and bi-monthly reports</p>	
Baseline (2013)	Target
HR: 640 applications fYRoM: 794 applications TR: 3393 applications	833 in HR 2890 in fYRoM 3995 in TR
<p>Result indicator: <b>Number of applications approved</b></p> <p>Source: IPARD programs 2007 – 2013, bi-annual and bi-monthly reports</p>	
Baseline (2013)	Target
HR: 323 applications fYRoM: 169 applications TR: 1166 applications	514 in HR 2330 in fYRoM 2448 in TR
<p>Result indicator: <b>Number of farms/enterprises supported (paid by the IPARD Agency)</b></p> <p>Source: IPARD programs 2007 – 2013, bi-annual and bi-monthly reports</p>	
Baseline (2013)	Target
143 projects in HR 101 projects in fYRoM 547 projects in TR	414 in HR 2330 in fYRoM 2448 in TR

<sup>53</sup> The specific objective "Enabling decentralisation of assistance management to the Candidate Countries by supporting the development of the administrative and management and control capacity of the institutions by implementing and managing the IPARD programmes" with its related indicators was removed from this Management Plan because the related actions either were completed or will be covered under IPARD II programme. See the current specific objective 3.

<sup>54</sup> The targets have been set for the programming period 2007 – 2013. Yet, article 166(3) of the *old* Financial Regulation (Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities, OJ L 248, 16.9.2002) provides for a final implementation only in 2016 (n+3 Rule).

Result indicator: <b>Total volume of investment (paid)</b>	
Source: IPARD programs 2007 – 2013, bi-annual and bi-monthly reports	
Baseline (2013)	Target
31 mio € in HR (EU contribution) 3.6 mio € in fYRoM 127 mio in Turkey (EU contribution)	164 mio € in fYRoM 304 mio € in HR Target in TR <sup>55</sup>
Result indicator: <b>Increase on gross value added (GVA) in supported holdings</b>	
Source: IPARD programs 2007 – 2013 and bi-annual reports	
Baseline (2013)	Target
For the time being information not available in HR, fYRoM and TR	5% in HR 5-8% in fYRoM Target in TR <sup>56</sup>
Result indicator: <b>Number of farms/enterprises introducing Union standards</b>	
Source: IPARD programs 2007 – 2013 and bi-annual reports	
Baseline (2013)	Target
For the time being information not available in HR, fYRoM and TR	290 in HR Target in fYRoM <sup>57</sup> Target in TR <sup>58</sup> : 2203
Result indicator: <b>Economic growth in agriculture – net additional added value in PPS (Purchase Power Standards = purchasing power of the same goods with different currencies)</b>	
Source: IPARD programs 2007 – 2013 and bi-annual reports	
Baseline (2013)	Target
For the time being information not available for HR	5% in HR
Result indicator: <b>Labour productivity in agriculture – change in gross value added (GVA)</b>	
Source: IPARD programs 2007 – 2013 and bi-annual reports	
Baseline (2013)	Target
For the time being information not available in HR, fYRoM and TR	To increase

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<sup>55</sup> No target agreed at the time when programme was set up.

<sup>56</sup> No target agreed at the time when programme was set up.

<sup>57</sup> No target agreed at the time when programme was set up.

<sup>58</sup> No target agreed at the time when programme was set up.

<b>2. Preparatory actions for the implementation of the agri-environmental measures and local rural development strategies (AXIS 2)</b>	
Result indicator: <b>Local rural development strategies</b>	
A) Number of applications received B) Number of applications approved C) Number of recognised LAGs D) Total population of LAGs Source: IPARD programs 2007 – 2013 and bi-annual reports	
Baseline (2013)	Target
In HR A) 71 applications received B) 42 LAGs contracted C) 42 LAGs D) 1.059.004 Contracting under axis 2 has not started in TR and fYRoM, as the accreditation and conferral processes in the countries are not yet initiated.	In HR A) 40 B) 25 C) 25 D) 1.055.000
<b>3. Development of the rural economy (AXIS 3)</b>	
Result indicator: <b>Improvement of rural infrastructure</b>	
A) Number of applications received B) Number of applications approved C) Number of beneficiaries D) Total volume of investment (data by 31/12/2012 – AIR) Source: IPARD programs 2007 – 2013 and bi-annual reports	
Baseline (2013)	Target
A) TR: n.a. (see comment below) HR: 199 B) HR: 83 C) HR:24 D) HR: 6.2 mio € (EU contribution) No projects have been contracted yet by fYRoM under this measure. TR does not intend to programme this measure.	A) 2580 in TR 205 in HR B) 174 in HR C) 148 in HR D) 59 mio in HR

Result indicator: <b>Diversification of rural economy</b>		
E) Number of applications received		
F) Number of applications approved		
G) Number of beneficiaries		
H) Total volume of investment		
Source: IPARD programs 2007 – 2013 and bi-annual reports		
Baseline (20 13)		Target
E) HR: 326 fYRoM: 206 TR: 8321	E) 380 in HR 417 in fYRoM 5697 in TR	
F) HR: 168 fYRoM: 9 TR: 4585	F) 350 in HR 155 in fYRoM 5121 in TR	
G) HR: 29 fYRoM: 0 TR: 3437	G) 329 in HR 155 in fYRoM 5121 in TR	
H) HR: 1.2 mio € paid (EU contribution) fYRoM: 0 mio € (projects were cancelled) TR: 43 milion EUR (EU contribution)	H) 39 mio in HR 31 mio in fYRoM	
Main outputs in 2015		
Description	Indicator	Target
Management of the implementation of 3 IPARD programmes 2007-2013	Percentage of the relevant IPARD allocation contracted and paid	Annual allocation is fully used, respecting sound financial management principles

### External factors affecting the Specific objective 2

Successful implementation depends on the number and the quality of the applications received and on adequate resourcing and the correct functioning of the management structures in the beneficiary countries.

<p><b>Relevant general objectives: The specific objective contributes to all three general objectives of the CAP and to IPA general objective "support the beneficiaries in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required by those beneficiaries in order to comply with the Union's values and to progressively align to the Union rules, standards, policies and practices with a view to Union membership."</b></p>	
<p><b>Specific objective 3<sup>59</sup>: Supporting the development of management and control systems which are compliant with good governance standards of a modern public administration and where the relevant country structures apply standards equivalent to those in similar organisations in the Member States of the European Union.</b></p>	
<p>Result indicator: Signature of Sectoral Agreements between the Commission and the beneficiary countries (except for Bosnia and Herzegovina and Kosovo) Source: Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11/03/2014 establishing an Instrument for Pre-accession Assistance (IPA II)</p>	
Baseline (2013)	Target
No SA signed.	Sectoral Agreement for Turkey, the former Yugoslav Republic of Macedonia, Serbia, Albania and Montenegro signed in 2015.
<p>Result indicator: Number of IPARD programmes submitted by the beneficiary countries and approved by the Commission. Source: Regulation (EU) No 231/2014 of the European Parliament and of the Council of 11/03/2014 establishing an Instrument for Pre-accession Assistance (IPA II)</p>	
Baseline (2014)	Target
Turkey, the former Yugoslav Republic of Macedonia and Serbia have presented IPARD II programmes. Albania and Montenegro will have to submit IPARD II Programmes.	IPARD II Programmes submitted by IPA beneficiaries and approved by the Commission in 2015 for Turkey, the former Yugoslav Republic of Macedonia, Serbia, Albania and Montenegro
<p>Result indicator: Number of measures conferred for indirect management without ex ante controls under rural development programmes Source: Estimate, based on experience gained under Sapard and IPARD I</p>	
Baseline (2013)	Target 2020
0	32

<sup>59</sup> This specific objective has been reworded to better reflect the development of the management and control systems. The indicator "Setting up of the implementing structures" has been deleted.



Result indicator <sup>60</sup> : Financing Agreements (FA) concluded Source: DG AGRI		
Baseline (2013)		Target (mid-term)
Turkey and the former Yugoslav Republic of Macedonia concluded FA each year since 2010 under IPA I		<i>FA concluded each year for all IPA II beneficiaries having received entrustment of budget implementation tasks under indirect management.</i>
Main outputs in 2015		
Description	Indicator	Target
Smooth transition between IPARD I and IPARD II programmes in Turkey and former Yugoslav Republic of Macedonia	Contracting under IPARD I continues and TK and FYROM ready to start contracting under IPARD II.	2015
<p><b>Planned evaluation:</b> Given that the programme has just started, the evaluation of impact can only take place towards the end or after the completion of the programme, hence it has not yet been included in the 2015-2018 programme.</p>		

#### External factors affecting the IPARD II 2014-2020

Beneficiary countries may experience some delays in setting-up the structures needed to run the IPARD II programmes and staffing it with adequate resources.

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<sup>60</sup> New indicator.

<p><b>Relevant general objectives: The specific objective contributes to all three general objectives of the CAP and to IPA general objective "support the beneficiaries candidate countries and potential candidates ('beneficiary countries') in adopting and implementing the political, institutional, legal, administrative, social and economic reforms required by those beneficiaries in order to comply with the Union's values and to progressively align to the Union rules, standards, policies and practices with a view to Union membership."</b></p>	
<p><b>Specific objective 4<sup>61</sup>: IPARD II 2014-2020</b></p> <p><b>To increase the food-safety of the IPA II beneficiary and the ability of their agri-food sector to cope with competitive pressure as well as to progressively align the sector with Union standards, in particular those concerning hygiene and environment, while pursuing balanced territorial development of rural areas.</b></p>	
<p><input checked="" type="checkbox"/> Programme-based: IPARD  <input type="checkbox"/> Non-programme-based</p>	
<p>Result indicator<sup>62</sup>: Number of economic entities performing modernisation projects in agri-food sector  Source:</p>	
Baseline (2013)	Target 2020
0	8100 Estimate, based on experience gained under Sapard and IPARD I
<p>Result indicator: Number of economic entities developing additional or diversified sources of income in rural areas  Source:</p>	
Baseline (2013)	Target 2020
0	4250 Estimate, based on experience gained under Sapard and IPARD I
<p>Result indicator: Overall investment in physical capital in agri-food and rural development (EUR)  Definition: Overall investment in machines, equipment, production facilities made by farmers, food processing and marketing enterprises as well as micro and small enterprises in rural areas  Source:</p>	
Baseline (2013)	Target 2020
0	2.58 billion € Estimate, based on experience gained under Sapard and IPARD I
<p>Result indicator: Number of economic entities progressively upgrading towards EU standards  Definition: Number of farmers and food processing and marketing enterprises progressively upgrading to EU environmental, food safety and hygiene, occupational standards  Source:</p>	
Baseline (2013)	Target 2020
0	5550 Estimate, based on experience gained under Sapard and IPARD I
<p><b>Planned evaluation:</b>  See previous specific objective.</p>	

<sup>61</sup> Specific objective reworded and specified.

<sup>62</sup> The indicator "Number of meetings of the Monitoring Committee involving representatives of civil society and agriculture sector stakeholders in implementing rural development programmes" has been deleted.

## 4.5 ABB 06 – External Relations

In accordance with Articles 206 and 207 of the Treaty on the Functioning of the European Union, the Union establishes a customs union and a common commercial policy. The Union has exclusive competence in this area (Article 3(e) TFEU). In accordance with Article 8 TEU the Union also develops a neighbourhood policy. Finally, in accordance with Article 49 TEU the Commission has an important function in relation to negotiations with European States applying for admission to the Union.

The Commission conducts negotiations in this context. To this end, DG AGRI contributes to the negotiation of international agreements touching upon areas of agricultural policy (trade in agricultural products, quality policy, food security, etc). DG AGRI also deals with the implementation of such international agreements and manages the relations with third countries related to agriculture.

The overall objectives of these external relations activities of DG AGRI are to promote and defend the Union's agricultural sector internationally in a changing world trade environment, to preserve and adapt the European model of agriculture, and to contribute to sustainable economic development.

This activity covers participation and negotiations in various multilateral for a, including the WTO, OECD, G7 and G20, the FAO and other UN agencies, as well as in bilateral relations with various third countries, regions or key regional groupings (e.g. the African Union). It also comprises agricultural relations with European Neighbourhood countries and candidate or potential candidate countries, and coordination of the enlargement process in relation to agriculture. This activity also includes economic analysis of trade, agricultural policy in third countries and other international matters in agriculture.

ABB activity: ABB 06						
Financial resources (€) in commitment appropriations			Human resources			
Operational expenditure	Administrative expenditure (managed by the service)		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	(1) Heading 5 appropriations	(2) Other budget lines				
4 675 000	328 378 (05010201)		<b>5 003 378</b>	68	11,76	79,76

### Planned evaluation:

An evaluation on the preferential agricultural trade regimes has been finalised in November 2014. Currently no new specific evaluation is foreseen for this ABB, but a study on the impact of free trade agreements is scheduled. Moreover, the international aspects of the CAP are assessed in the context of the framework contracts on the evaluation of CAP general objectives.

<b>Relevant general objectives: The activity contributes to achieving all three general objectives of the CAP.</b>		
<b>Specific objective 1: To promote the EU agricultural sector by contributing to successful negotiation and cooperation within the World Trade Organisation (WTO) and other multilateral organisations such as the Organisation for Economic Co-operation and Development (OECD) and the Food and Agriculture Organisation (FAO).</b>		<input type="checkbox"/> Programme-based <input checked="" type="checkbox"/> Non-programme-based
Result indicator: <b>Timely contribution to negotiations and other ongoing processes in multilateral fora</b> Source: DG AGRI		
Baseline		Target (mid-term)
100% of contributions in time. Examples: Provision of negotiating lines to take in the context of WTO Agricultural negotiations under the Doha Development Agenda (DD) running up to and at the 10 <sup>th</sup> WTO Ministerial Conference scheduled for late 2015. Provision of negotiating lines to take in the context of negotiations on the proposed revision of the WIPO Lisbon Agreement for the protection of appellations of origin running up to and at the Diplomatic Conference scheduled for May 2015. Relevant input to agriculture-related FAO activities.		100% of contributions in time. Better understanding and support for EU positions and policies in international fora.  <i>This target was agreed within DG AGRI and is reflected by relevant procedures for conducting negotiations.</i>
<b>Main outputs in 2015</b>		
<b>Description</b>	<b>Indicator</b>	<b>Target</b>
WTO Agricultural negotiations under the Doha Development Agenda (DDA) running up to and at the 10 <sup>th</sup> WTO Ministerial Conference scheduled for late 2015	Contributions made to the work post-Bali running up to and at the 10 <sup>th</sup> Ministerial Conference	Throughout 2015
Negotiations in the WTO on compensatory adjustments for other WTO Members in respect of Croatia's accession to the EU (Article XXIV:6 GATT)	Contributions made to negotiations	Throughout 2015
Negotiations on the proposed revision of the WIPO Lisbon Agreement for the protection of appellations of origin	Contributions made to the negotiations running up to and at the Diplomatic Conference to amend the Lisbon Agreement, scheduled for May 2015	Throughout Jan-May 2015
Promotion of EU agenda on agriculture and food security in the FAO and other international fora, including post 2015 agenda as well as in Expo Milano 2015	Extent to which agriculture and food and nutrition policy is reflected in the outcomes of the principal multilateral processes in 2015 and beyond	EU agenda and objectives on agriculture and its contribution to food security reflected in the outcomes of all major multilateral processes and events in 2015

## **External factors affecting the Specific objective 1**

In multilateral fora the EU's ability to shape outcomes is subject to external factors such as the extent to which the Commission can exercise its competences in certain multilateral fora, the positions or strength of opposition of other countries or regions because of their different levels of development or because they have different political priorities. Geopolitical developments outside the EU's control can also influence outcomes. On some FAO issues competence is shared with EU member states. This can affect its ability to ensure its position is understood and taken up by the FAO membership. To take another example, in the G7 or G20 different presidencies have different priorities and agriculture and food security is not always a priority. And in the WTO the EU while being a determining actor cannot by itself secure outcomes in line with its interests. It needs the cooperation and common understanding of other major trading partners and blocs who may have different policy objectives.

**Relevant general objectives: The activity contributes to achieving all three general objectives.**

**Specific objective 2: Improve market access for agricultural products through: negotiating or revising bilateral agreements; resolving trade irritants; securing protection for EU geographical indications in third countries via negotiating relevant provisions within Free Trade or Association Agreements or stand-alone agreements; carrying out dialogues with strategic partners in agriculture and cooperation activities; and contributing to sustainable economic development in particular in developing countries.**

Programme-based  
 Non-programme-based

Result indicator: Timely preparation of and contribution to bilateral negotiations:

- leading to the achievement of the objectives set out in the negotiating mandates set by the Council,
- improving the level of market access to third country markets for EU exports,
- increasing in absolute or relative terms agricultural trade;
- securing better legal protection for EU GIs in other markets.

Source: DG AGRI

Baseline	Target (mid-term)
<p>100% of timely contributions.</p> <p>Examples:            Contributing to negotiations with the United States on the Trans-Atlantic Trade and Investment Partnership            Following up on concluded negotiations with the Southern African Development Community (SADC), East African Community (EAC), West Africa, amongst others; Implementation of agri and non agri GI provisions for Cariforum EPA – mandate under elaboration            Negotiating a stand-alone agreement with China on cooperation on, and protection of, geographical indications            Steering the process leading to the protection of EU geographical indications in Central America, in the framework of the agreement with these countries            Carrying out dialogues on agricultural issues with some third countries (China, Brazil, India) and cooperation activities in the agricultural field</p>	<p>100% of contributions in time. Improved market access including better GI protection. Improved terms of agricultural trade.</p> <p><i>This target was agreed within DG AGRI and is reflected by relevant procedures for conducting negotiations.</i></p>

**Main outputs in 2015**

Description	Indicator	Target
Inclusion of agriculture in bilateral negotiations	Extent to which EU objectives for agricultural market access are included in EU bilateral negotiations in line with Council negotiating directives	Secure EU market access objectives in agriculture (as defined by our negotiating mandates) in all FTA and other bilateral negotiations
Protection of EU geographical indications in bilateral trade agreements	Extent to which EU objectives for the protection of GI's are secured in bilateral agreements	Obtain a high level of protection of EU GIs in all bilateral free trade agreements being negotiated, as well as in GI-specific agreements.
Reduction of trade irritants and obstacles in third country markets	Extent to which obstacles are reduced or removed	Reduce obstacles to export for major agricultural commodities and products in key overseas markets, including north and Latin America, E Asia and the European neighbourhood.

### External factors affecting the Specific objective 2

Agriculture in most cases is only one component of the EU's bilateral trade agreements. Extent to which objectives are achieved may in some cases therefore be dependent on outcomes in other areas under negotiation. Geopolitical developments can also affect achievement of specific objectives: for example the recent Russian ban of several EU agricultural sectors has an impact on the objective to improve market access and reduce barriers in third markets. Similarly, political developments in partner countries such as changes of government can affect partners' readiness or capacity to negotiate and conclude free trade agreements.

<b>Relevant general objectives: The activity contributes to achieving all three general objectives.</b>		
<b>Specific objective 3: To promote the EU interests and positions on agriculture and rural development in the relations with enlargement countries and to assist the enlargement countries in their alignment to the CAP</b>		
<input type="checkbox"/> Programme-based <input checked="" type="checkbox"/> Non-programme-based		
Result indicator: Timely contribution to the Commission's work in the area of enlargement Source: DG AGRI		
Baseline (2013)		Target (mid-term)
100% of timely contributions Example: Preparation of screening report for Montenegro.		100% of contributions in time  <i>This target was agreed within DG AGRI and is reflected by relevant procedures for conducting negotiations.</i>
Main outputs in 2015		
Description	Indicator	Target
Assisting candidate countries to align themselves to the Common Agricultural Policy in the framework of accession negotiations and preparatory processes	Extent to which candidate countries align themselves to the acquis in the field of agriculture and rural development	All candidate countries to make measurable progress in aligning to the CAP

### External factors affecting the Specific objective 3

The principal external factors that can affect the achievement of Specific Objective 3 are the level of technical preparedness of the accession countries to adopt the acquis in the agriculture and rural development sector; and the countries' overall political commitment to making the necessary changes in view of enlargement, some of these changes requiring reform or liberalisation in agricultural trade to take place at an early stage in the alignment process.

## 4.6 ABB 07 – Audit

Since agricultural expenditure is mostly implemented under shared management, the Commission's responsibility for the implementation of the budget under Article 317 of the Treaty on the Functioning of the European Union and the need for effective protection of the EU's financial interests require that the Commission verifies the conditions under which payments and controls have been carried out by the Member States.

This activity concerns the audit of agricultural expenditure through clearance of accounts procedures, mainly by means of system controls in the Member States, in order to protect the financial interests of the EU.

The Financial Regulation provides that the Commission and the Member States shall fulfil their respective control and audit obligations and assume the resulting responsibilities laid down in that Regulation. The Commission is also required by the Financial Regulation to make financial corrections on Member States in order to exclude from Union financing expenditure incurred in breach of applicable Union Law.

The legal framework for the CAP is laid down Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy (the "horizontal regulation"), and covers expenditure under both the European Agricultural Guarantee Fund (EAGF) and the European Agricultural Fund for Rural Development (EAFRD). This expenditure may only be covered by EU financing if executed by accredited paying agencies, which are subject to the conditions laid down in the above-mentioned regulation.

The audit work comprises an annual financial clearance and a multiannual conformity clearance. Both types may lead to financial corrections whereby expenditure which does not comply with the EU rules is disallowed and recovered from the Member States. A similar procedure applies under the IPARD programmes.

On the basis of Article 43 of Regulation (EU) No 1306/2013, financial corrections under conformity clearance decisions as well as irregularities are designated as revenue assigned to the financing of EAGF and EAFRD expenditure.

<b>ABB activity: ABB 07</b>						
<b>Financial resources (€) in commitment appropriations</b>				<b>Human resources</b>		
Operational expenditure	Administrative expenditure (managed by the service)		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	<b>(1) Heading 5 appropriations</b>	<b>(2) Other budget lines</b>				
87 300 000	477 767 (05010201)	8 100 000 (05010401)	<b>95 877 767</b>	116	17.11	133.11



<b>Relevant general objective: The activity contributes to achieving all three general objectives.</b>	
<b>Specific objective<sup>63</sup>: To provide the Commission with reasonable assurance that Member States have put in place management and control systems in conformity with EU rules designed to ensure the legality and regularity of the underlying transactions financed by the EAGF, EAFRD, Sapard and IPARD and, where this is not the case, to exclude the expenditure concerned from EU financing so as to protect the EU's financial interests.</b> <input type="checkbox"/> Spending programme <input checked="" type="checkbox"/> Non-spending	
<b>Result indicator: % of planned audit missions carried out</b> Source: Multiannual audit work plan for DG AGRI-J for 2014-17 (2014/15 programme to be completed by end June 2015)	
Baseline (2013)	Target 2014/2015
95.2 %	100 % of number of audit missions planned for 2014-15 programme  <i>The number of audit missions is part of the multi-annual audit work plan of the Directorate for the period 2014-2017.</i>
<b>Result indicator: Timely completion of audit reports and observation letters to Member States</b> Source: DG AGRI	
Baseline (2014)	Target 2014/2015
Average of around 47 days to finalise audit reports, and around 73 days for observation letter in national language	Deliver according to deadlines <sup>64</sup> : - audit reports to below 60 days - observation letters in working language to 65 days - observation letters in national language to below 90 days  <i>The targets were agreed via management discussion within Directorate J.</i>
<b>Result indicator: Closure of "backlog": audits carried out in 2012 and before<sup>65</sup></b> Source: DG AGRI	
Baseline	Target 2014/2016
A target of 285 such audits were identified in Directorate J's multi-annual work plan	The target is to close these audits before end 2016. Milestones: 69 audits to be closed by end 2014 (by 12/12/2014 90 audits had been closed) 146 audits to be closed by end 2015 70 audits to be closed by end 2016  <i>The target has been set in Directorate J's Multiannual Work Programme (2014-2017) of 11/09/2014</i>

<sup>63</sup> The specific objective "To contribute to improving EU legislation concerning Member States and Applicant Countries' management and control systems for agricultural expenditure" with its related indicators has been deleted.

<sup>64</sup> Without prejudice to possible changes in the context of the reform of the clearance of accounts procedure.

<sup>65</sup> Following the introduction of the new multi annual audit work plan in July 2014, this indicator replaces the previous one: "Closure of audits carried out in 2009 and before".

Result indicator: **Review of the clearance of accounts system** (see also result indicator below on *Timely contribution to CAP towards 2020 legislation*)

Definition: Review of the rules for the clearance of accounts system and adoption of the implementing and delegated acts

Source: DG AGRI

Baseline (2014)	Target 2015
Commission Implementing Regulation (EU) No 908/2014 and Commission Delegated Regulation (EU) No 907/2014 for the horizontal regulation on the financing, management and monitoring of the CAP were adopted on 06 August and 11 March 2014, respectively.	New guidelines on financial corrections (including identification of key and ancillary controls) to be adopted by the Commission.

### Main expenditure-related outputs

Description	Indicator	Target	Budget 2015	
			Budget item	EUR million <sup>66</sup>
Control of agricultural expenditure	Number of applications controlled by satellite	380 000	05 07 01 02	6.8

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<sup>66</sup> In commitment appropriations

## 4.7 ABB 09 – Framework Programme for Research and Innovation (Horizon 2020) – Research and innovation related to agriculture

Horizon 2020 ('H2020') is the EU financial instrument for research and innovation for the period 2014-2020. It contributes to achieving the goals of Europe 2020 and the Innovation Union. A main objective is to strengthen the EU's position in science as well as in industrial leadership in innovation and to address major societal challenges. Within H2020 DG AGRI's competence focuses on implementing Societal Challenge 2 "Food security, sustainable agriculture and forestry, marine and maritime and inland water research and the bioeconomy" ('SC2').

Public research and innovation funding in Europe is primarily organised at the national level (up to 90-95%), which leads potentially to duplication and fragmentation of research efforts. Actions at EU level provide added value to national funding in particular with regard to promoting transnational research. The Union level is also necessary to ensure coherence in addressing societal challenges across sectors and links to relevant Union policies. Coordination of research and innovation at Union level will stimulate and help to accelerate the required changes across the Union, and thus provide the opportunity to generate greater efficiencies and impact.

'H2020' is implemented under direct management. Overall, DG AGRI's intervention will be based on providing financial support<sup>67</sup> (through spending programmes) to research, innovation and coordination actions under the following areas of SC2:

- 2.1 Sustainable agriculture and forestry;
- 2.2 Sustainable and competitive agri-food sector for a safe and healthy diet;
- 2.4 Sustainable and competitive bio-based industries and supporting the development of a European bio-economy.

In doing so, DG AGRI will closely liaise with DG RTD and the Research Executive Agency.

Funding for research projects under Horizon 2020 is organised in cycles of two years. Research funding is channelled to certain focus areas to optimise the European value added and to achieve the Horizon 2020 objectives. In this process stakeholders – both the providers of research and the users of research – are extensively consulted. Based on these focus areas calls for proposals are established covering a two year work programme.

The 2014 and 2015 calls for proposals have been established already. The programming cycle for the 2016 and 2017 calls for proposals has started.

The types of action to be used in 2015 include:

- *Research and Innovation actions* – aiming at supporting the development of new Scientific and Technological knowledge as well as its deployment to the market and for the society.
- *Coordination and support actions* – supporting strategic research partnerships and better coordination of agricultural research.

In comparison to the previous research programme, FP7, Horizon 2020 gives more importance to the use of the outcomes of research which should lead to innovation. The EIP network is meant to facilitate the dissemination of research results and the involvement of the wider agriculture sector in research projects in order to allow a quicker take up of research results and a better targeting of research questions.

## Responsibilities of the Commission

The Commissions prepares proposals for focus areas and research topics following extensive consultation in the sector. Subsequently, the Commission is responsible for the management of the Research budget and its execution via the yearly calls for proposals.

ABB activity: ABB 09						
Financial resources (€) in commitment appropriations				Human resources*		
Operational expenditure	Administrative expenditure (managed by the service)		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	(1) Heading 5 appropriations	(2) Other budget lines				
101 455 799	55 847 (05010201) 800 000 (other research expenditure)	1 598 088 (05010501 and 05010502)	<b>103.909 734</b>	12	2	14

\* Including one frozen post for the secondment of an official to REA

<b>Relevant general objectives: The activity contributes to achieving all three general objectives and to H2020 general objective "To build an economy based on knowledge and innovation across the whole Union, while contributing to sustainable development."</b>		
<b>Specific objective: Societal challenges - to secure sufficient supplies of safe and high quality food and other bio-based products, by developing productive and resource-efficient primary production systems, fostering related ecosystem services, alongside competitive and low carbon supply chains</b>		<input checked="" type="checkbox"/> Spending programme <input type="checkbox"/> Non-spending
Result indicator: Publications in peer-reviewed high impact journals in the area of SC2 Definition: This indicator measures the number of publications in peer-reviewed high impact journals in a specific societal challenge per 10M€ of EC-funding <sup>68</sup> . High impact journals are defined to be the top 10% (in terms of Scimago Journal Ranking (SJR) index) of all journals within a given scientific category. Source: Horizon 2020 common IT system, i.e. CORDA (Common Research Datawarehouse) and RESPIR (SESAM Research Performance and Impact Reports)		
Baseline 2013 <sup>69</sup>	Milestone 2018	Target 2020
205 publications in peer reviewed high impact journals (FP7 baseline for projects finished by October 2013)	50 publications (absolute number)	250 publications (absolute number)  <i>On the basis of FP7 results</i>
Result indicator 2 : Patent applications in the area of SC2 <sup>70</sup> Definition: This indicator measures the number of patent applications in a specific societal challenge per EUR 10 M€ funding <sup>71</sup> . Source: Horizon 2020 common IT system, i.e. CORDA (Common Research Datawarehouse) and RESPIR (SESAM Research Performance and Impact Reports)		
Baseline 2013	Milestone 2018	Target 2020
5 patent applications (FP7 baseline for projects finished by October 2013)	1 (absolute number)	5 (absolute number)  <i>On the basis of FP7 results</i>
<b>Planned evaluation:</b> Given that the programme has just started, the evaluation of impact can only take place towards the end or after the completion of the programme, hence it has not yet been included in the 2015-2018 programme.		

<sup>68</sup> From the launch of the programme and until a critical mass of finished projects (ca. 10 % of all funded projects) has been reached, information about the two indicators below will be provided in the form of absolute number by the funded projects. On the basis of FP7 data it is considered that this critical mass of finished projects should be reached by 2019.

<sup>69</sup> The reference for all the targets is the year when the last actions financed under H2020 will be finished, i.e. several years after the formal end of the programming period.

<sup>70</sup> The result indicator was aligned with the respective indicator provided for in the Management Plan 2014 of DG RTD, i.e. reporting on *patent applications* only but not on *patents awarded* (as stated in the Programme Statement DB2014) since no meaningful information (or none at all) can be expected before 2019-2020.

<sup>71</sup> See footnote 50.

**Expenditure related outputs**

Description	Indicator	Target	Budget 2015	
			Budget item	EUR million <sup>72</sup>
Societal challenges – to secure sufficient supplies of safe and high quality food and other bio-based products				
	Grants			
	Prizes			
	Procurement			
	Financial instruments			
	Experts			
	Other			
<b>Total</b>			<b>05 09 03 01</b>	<b>101.5</b>

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<sup>72</sup> In commitment appropriations and relating only to expenditure under chapter 05.

## 5. HORIZONTAL ACTIVITIES

### 5.1 ABB 08 – Policy Strategy and Coordination

The ABB Activity "Policy Strategy and Coordination" aims at supporting policy making and promotes the development of a strategic planning culture within the DG in accordance with the Commission Strategic Planning and Programming cycle so that legislative proposals and non-legislative acts pass smoothly and efficiently through the institutional system. It aims at the development of an administrative culture of better regulation by screening existing policies and proposals for simplification where appropriate, and the use of evaluation and impact assessment as valuable policy instruments for shaping policy. With the introduction of the ordinary legislative procedure for the CAP under the Lisbon Treaty on 1 December 2009, the European Parliament is on an equal footing with the Council as a co-legislator on the CAP. A major activity of DG AGRI is the preparation of reform proposals, taking into account the envisaged new simplification and subsidiarity strategy announced by Commissioner Hogan, the negotiation of these proposals with the other institutions and the continuing monitoring of their implementation to ensure a harmonised application. The continued dialogue with the agricultural non-governmental organisations also plays an increasingly important role. The set-up of this dialogue has been reviewed in the sense that 13 civil dialogue groups have been created with a new composition based on an open call for applications to ensure a balance between economic and non-economic non-governmental organisations. The activity includes matters relating to the correct application of agricultural law and the internal market. Active promotion of the policies of the DG through provision of information, communication, awareness rising with media and general public and dialogue with decision-makers and other key stakeholders, brings its contribution to the successful implementation of DG AGRI's main policies. Sound coherence of the different activities within the DG, efficient and effective liaison internally and with the horizontal services, the Cabinet and the other institutions involved, are essential to strengthen and further support DG AGRI's policy strategy.

The areas covered are:

- Overall policy conception and formulation of the CAP on the basis of policy analysis, micro/macro-economic and quantitative analysis, including the Farm Accountancy Data Network (FADN), impact assessments and evaluation of present policy instruments;
- Co-ordination with other policy areas;
- Legal affairs, simplification and subsidiarity as well as decision making procedures, state aid/competition and infringements, control of implementation of the acquis, complaints, Ombudsman inquiries;
- Information and communication policy, relations with the other institutions and stakeholders, strategic planning and programming;
- Evaluations and studies carried out following calls for tenders in accordance with the multi-annual DG AGRI Evaluation Plan (annex 4) and the Studies and Data Purchase Plan, which are regularly reviewed and updated.

The above activities entail only administrative expenditure. In terms of operational expenditure for the Union Budget the following parts of the activity are concerned:

- The Farm Accountancy Data Network (FADN);
- The surveys on the structure of agricultural holdings;
- Information activities, including grants to those parties carrying out CAP information actions;
- EAGF operational technical assistance.

This activity contributes to achieving all three general objectives.

<b>ABB activity: ABB 08</b>						
<b>Financial resources (€) in commitment appropriations</b>				<b>Human resources</b>		
Operational expenditure	Administrative expenditure (managed by the service)		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	<b>(1) Heading 5 appropriations</b>	<b>(2) Other budget lines</b>				
56 231 373	520 211 (05010201)		<b>56 751 584</b>	249	18.63	267.63
	300 000 (studies hors quota)					



**Specific objective 1: To inform and increase awareness of the CAP by maintaining an effective and regular dialogue with stakeholders, civil society, and specific target audiences based on two key messages below:**

**(1) The CAP has provided 50 years of service to European citizens, going beyond food production into public goods delivery.**

**(2) The CAP is a living policy, evolving with society's needs and expectations:**

- meeting the challenges of food security, climate change, sustainable use of natural resources and balanced territorial development,
- increasing the competitiveness of the farming sector, both economic and ecologically,
- contribute to smart, sustainable and inclusive growth in rural Europe in line with "Europe 2020" strategy.

Indicator: Public awareness of CAP

Source: Eurobarometer

Baseline

Target

The Latest Eurobarometer survey (EB 410 published in March 2014, field research November-December 2013) shows that 92% of Europeans believe that agriculture and rural areas play an important role for their future and that 64% have heard about the support that the EU gives farmers through its CAP. There is a broad consensus that agriculture plays a beneficial role.  
2009: 41% of those surveyed have heard about the CAP

Maintain and if possible increase awareness of the CAP

**Planned evaluation:**

Information policy – completion in 2015

**Expenditure related outputs**

Description	Indicator	Target	Budget 2015	
			Budget item	EUR million <sup>73</sup>
Enhancing public awareness of the CAP	Grants awarded to third party organisations to implement actions to improve the level of understanding of the CAP among EU citizens	13	05 08 06	3.0
	Stakeholders networking activities (CAP Awards, conferences, web)	5	05 08 06	0.5
	Media networking activities (study and press trips, web)	12	05 08 06	1.0
	General public activities (fairs, events CAP Campaign)	11 4	05 08 06	3.0
	Horizontal activities (publications, events, web)	6	05 08 06	0.5
Corporate communication			05 08 06	n/a
<b>Total</b>			05 08 06	8.0

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<sup>73</sup> In commitment appropriations.

<b>Specific objective 2: To facilitate decision-making on strategic choices for the CAP and to support other activities of the DG by means of economic and policy analyses and studies</b>	
Indicator: Timely contribution to the decision-making process for the CAP towards 2020 Source: Registered documents	
Baseline (2013)	Target
- complementary analyses during negotiations for the CAP 2014-2020, as necessary - publications (among which on internet: short- and medium-term outlook, briefs, market monitoring, statistics)	100 % timely deliveries: - supporting policy and economic analysis - publication of key documents on the CAP
Indicator: Representativeness of information about the EU farm economic situation collected by the Farm Accountancy Data Network (FADN) Source: EU FADN	
Baseline (2014)	Target (2015)
Observed coverage of EU agricultural production in the accounting year 2012: - 94 % coverage of the Standard Output - 93 % coverage of the Utilised Agricultural Area - Farm returns collected: 83 699	Observed coverage of EU agricultural production in the accounting year 2013: - 90 % coverage of the EU agricultural production as expressed in Standard Output - 90 % coverage of the Utilised Agricultural Area - Farm returns to be delivered (Reg. 1291/2009 and successive amendments): 86 936
Indicator: Adequate knowledge of Farm's structure Source: Eurostat – Farm Structure Survey	
Baseline (2014)	Target (2015)
Data of Farm Structure Survey 2013 are expected to be delivered by Member States to Eurostat by December 2014 and made available by Eurostat to users as from first quarter 2015	First use of the 2013 Farm Structure Survey data in internal analyses, publications and indicators of the common monitoring and evaluation framework for the CAP 2014-2020

### Expenditure related outputs

Description	Indicator	Target	Budget 2015	
			Budget item	EUR million <sup>74</sup>
Data collection on EU Farm Accountancy Data Network (FADN) data	Holdings	87 185	05 08 01	15.01
Data collection on structure of agricultural holdings:	Holdings		05 08 02	19.45
Technical assistance			05 08 09	4.77
Other <sup>75</sup>				3.70
Total				42.93

<sup>74</sup> In commitment appropriations.

<sup>75</sup> This excludes appropriations for item 05 08 80.

<b>Specific objective 3: To ensure smart regulation through simplification, impact assessment and evaluation, and analytical support to policy conception and to international negotiations</b>	
Indicator: Common monitoring and evaluation framework for the CAP towards 2020 Source: DG AGRI task Force on Monitoring and Evaluation	
Baseline (2014)	Target (2015)
Comprehensive framework for the monitoring and evaluation of the whole CAP -implementing regulation adopted guidance documents available - expert group: meetings on 09.01.2014 and 14.10.2014	Comprehensive framework for the monitoring and evaluation of the whole CAP in place -4 meetings with the expert group on M&E; - 2 meetings of DG AGRI task force on M&E; -Starting the compilation of data
Indicator: Degree of implementation of the annual evaluation plan Source: Data collected by DG AGRI	
Baseline (2014)	Target (mid-term) <sup>76</sup>
100 % complete	100 % of evaluations completed/launched according to the initially set timetable - Number of new evaluations launched:3 - Number of evaluations completed:4 The evaluations to be conducted in a given year are decided at senior management level, based on the legal and policy requirements and introduced in a rolling evaluation and studies plan which is updated yearly. -launch of 4 framework contracts for evaluating the CAP
Indicator: Degree of implementation of the annual studies plan set in the evaluation and studies plan Source: Data collected by DG AGRI	
Baseline	Target (mid-term)
100 %	100 % of studies completed/launched according to the initially set timetable - Number of new studies launched: 6 - Number of studies completed: 5  <i>The studies to be conducted in a given year are decided at senior management level, based on the legal and policy requirements and introduced in a rolling evaluation and studies plan which is updated yearly.</i>

<sup>76</sup> To be confirmed as the figures presented reflect the situation on 31.12.2014.

Indicator: Contribution to the Commission Regulatory Fitness initiative (REFIT)		
Source: DG AGRI files on simplification		
Baseline (2013)		Target (mid-term)
Outcome of the mapping of the CAP acquis reported on 17.4.2013 and Commission Communication adopted on 2.10.2013		Timely contribution to the REFIT initiative including follow-up of the Administrative Burden Reduction programme (ABRplus) upon request of the Secretariat General
Main output in 2015		
Description	Indicator	Target
Reviewing the potential for further simplification in the CAP	Screening of the CAP legislation	2015

<b>Specific objective 4: To support DG AGRI by providing sound legal services and consolidated legal texts thus ensuring that its policies and their implementation are in compliance with the legal framework of the EU</b>		
Indicator: Proportion of positive opinions from the LS in inter-service consultations launched by DG AGRI		
Source: Statistics tool provided by CIS-Net		
Baseline (2013)		Target (mid-term)
100 %		>90 % of consultations <i>Target was fixed taking into account a minimal margin of manoeuvre for legal disagreements/need to pursue proposal for policy issues</i>
Indicator: Rapidity of response on signataires submitted for paraphe on legal issues and on notes submitted asking for legal advice		
Source: Internal Follow-up within Unit I1 ( échancier based on Ares)		
Baseline (2013)		Target (mid-term)
96.01 % of respected		>85 % dealt with within deadlines laid down in the vademecum fixing the rules for legal consultation <i>The vademecum provides for a standard deadline fixed to satisfy Agri services need for quick replies, but at the same time a certain margin of manoeuvre to divert from deadlines is needed to take into account: more difficult/demanding legal problems; exceptional work overload requiring prioritisation of tasks</i>

<b>Specific objective 5: To ensure correct application and enforcement of Common Agricultural Policy law thus contributing to the smooth functioning of the internal market (state aid and infringement procedures).</b>	
Indicator: Timeliness of treatment of all notifications of state aid cases received Source:	
Baseline (2013)	Target (mid-term)
100 % (between 200 and 300 cases each year)	100 % <i>Legal requirement</i>
Indicator: Appropriate administrative treatment of all new complaint cases notified (information of complainant) <sup>77</sup> Source: CHAP-EU Pilot Data base	
Baseline (2013)	Target (mid-term)
100 %	100 % <i>Procedural rules established by the College</i>
Indicator: Timeliness of treatment of all new draft technical standards received Source: TRIS data basis	
Baseline (2013)	Target (mid-term)
100 %	100 % <i>Legal obligation by virtue of Directive 98/34/EC</i>
Indicator: Proportion of agreements from the LS to proposals launched by DG AGRI in the context of the consultation process foreseen by the monthly infringement decision taking-procedure Source: NIF data base	
Baseline (2013)	Target (mid-term)
100 %	90 % of consultation Procedural requirement <i>Guidelines on the monthly cycle (04/2013)</i>
<b>Planned evaluation:</b> Evaluation on the impact on the internal market of certain state aid measures in the agriculture and forestry sectors – completion in 2018.	

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<sup>77</sup> Refers to both – sound legal analysis and observation of procedures.

<b>Specific objective 6: To implement the Commission planning and programming process and provide full assistance to the Directorate-General in the decision making processes so that it delivers its policy objectives contributing to the overall Commission strategy in an effective, timed, efficient and accountable manner.</b>	
Indicator: Percentage of elements of the Strategic Planning and Programming (SPP) cycle delivered on time Source: DG AGRI	
Baseline (2013)	Target (mid-term)
100 %	100 % <i>A timely delivery is crucial for an adequate Commission decision-making process.</i>
Indicator: Delivery rate (adoption by the College) - CWP - Other Agenda Planning (AP) proposals Source: Agenda Planning database	
Baseline (2013)	Target (mid-term)
- 2012 CWP: 0 % <sup>78</sup> - Other AP proposals: Cancelled: 15 % Postponed: 32,5 % Adopted: 52,5 %	100 % <i>The target is set at 100% in order to foster adequate planning within the DG.</i>
Indicator: Number of delays in DG AGRI replies to ISC Source: CIS-Net	
Baseline (2013)	Target (mid-term)
162 out of 2183 (7.4 %)	Steady reduction <i>The target is a permanent goal of DG AGRI</i>

<b>Specific objective 7: To maintain continuous dialogue and cooperation with EU institutions, national parliaments, other institutional stakeholders and civil society, including the participation in meetings of the Council, the SCA and working parties, European Parliament, COMAGRI and other committees, as well as attendance to trilogues (accompany &amp; follow-up on the ordinary legislative procedure).</b>	
Indicator: Questions/requests from other Institutions, including Parliamentary Questions, replied to within the deadline Source: BASIL and PETITIONS2 (electronic management systems for resp. EP questions and petitions) and data collected by Unit R.4	
Baseline (2013)	Target (mid-term)
From 1.01.2013 to 31.12.2013, 1354 EP questions (448 lead /906 associated), 3 requests from national parliaments, 64 MEP letters to the Commissioner and 9 letters from MEPs signed by DG and 38 Petitions (20 lead/18 assoc.) were dealt with > 99 % replies within deadline	Maintain the present high rate of replies within deadline. <i>Target based on historical performance rate.</i>

<sup>78</sup> All AGRI CWP initiatives 2013 have been postponed (Organic, School schemes) or cancelled (POSEI, F&V)

Indicator: Participation of the Commissioner and DG AGRI's officials in high level meetings with other EU institutions and civil dialogue groups Source: Data collected by Unit R.4	
Baseline (2013)	Target (mid-term)
<p>Commissioner's participation in 2013:</p> <ul style="list-style-type: none"> <li>- 5 times in EP plenary and 4 time in COMAGRI.</li> </ul> <p>DG AGRI's participation in 12 plenaries and in 21 meetings of COMAGRI</p> <ul style="list-style-type: none"> <li>- EESC: in 2013 the Commissioner attended 1 EESC meeting with Chairman Campli.</li> <li>- CoR: in 2013 the Commissioner has attended 1 CoR meeting.</li> </ul> <p>Participation of DG AGRI in 10 EESC meetings and 3 CoR meetings</p> <ul style="list-style-type: none"> <li>- Council meetings: 11 times</li> </ul> <p>DG AGRI's participation in 2013:</p> <ul style="list-style-type: none"> <li>- Council: 11 times</li> <li>- SCA: 28 times</li> <li>- WPs: 42 times</li> <li>- trilogue meetings: 51</li> </ul> <p>DG AGRI participation in pre-GRI: 23 DG AGRI organisation of in advisory/working /civil dialogue groups: 76</p>	<p>The Commissioner represents the Commission in the most important meetings <i>Target based on historical figures.</i></p>
Indicator: Number of overdue recommendations in RAD addressed to AGRI as chef de file Source: RAD <sup>79</sup>	
Baseline (2013)	Target (mid-term)
0	0 <i>Timely implementation of actions is crucial for an effective implementation of discharge recommendations.</i>

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<sup>79</sup> RAD ("Recommendations/Actions/Discharge") is a DG BUDG database to monitor the implementation of European Court of Auditors, Council and European Parliament recommendations.



## 5.2 AWBL 01 – Management of the DG

This activity covers the work of the horizontal services: Human Resources Management, Training and Logistics within AGRI, Budget management and Finance, Information and Communication Technologies, Internal Control and Risk Management, Document management, Security and data protection. These services provide high quality administrative support, advice, assistance and control and monitoring of resource use of the DG AGRI.

This activity contributes to achieving all three general objectives.

ABB activity: AWBM 01						
Financial resources (€) in commitment appropriations			Human resources			
Operational expenditure	Administrative expenditure (managed by the service)		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	(1) Heading 5 appropriations	(2) Other budget lines				
	390 926 (05010201)	6 279 438 (050103)	<b>13 574 191</b>	108	14	122
	6.904.827 (global envelope)					

<b>Specific objective 1: To establish, perform, monitor and report on the financing of the CAP and Rural Development so that sound and regular financial management of these policies is assured.</b>	
Indicator: % of budget execution (commitments) with respect to budget appropriations Source: DG BUDG budgetary execution reports	
Baseline (2013)	Target (mid-term)
99.9 % <sup>80</sup>	99 % <i>Whereas ideally the result would be 100% of the size of the agricultural budget and taking into account that MS are responsible for paying out the largest part of the budget and the number of budget lines involved, it is realistic to foresee some under execution. However, based on previous experience and in view of procedures in place, a very high degree of execution has been obtained, so a target only allowing for 1 % deviation has been foreseen (no over execution is possible) which is sound budgetary management</i>
Indicator: % of budget execution (payments) with respect to budget appropriations Source: DG BUDG budgetary execution reports	
Baseline (2013)	Target (mid-term)
99.8 % <sup>81</sup>	99 % <i>Whereas ideally the result would be 100% of the size of the agricultural budget and taking into account that MS are responsible for paying out the largest part of the budget and the number of budget lines involved, it is realistic to foresee some under execution. However, based on previous experience and in view of procedures in place, a very high degree of execution has been obtained, so a target only allowing for 1 % deviation has been foreseen (no over execution is possible) which is sound budgetary management</i>

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<sup>80</sup> Final figures taking account of initial budget, transfers and amending budgets.

<sup>81</sup> Final figures taking account of initial budget, transfers and amending budgets.

<b>Specific objective 2: To define, plan, set-up, maintain and develop high quality Information Technology (IT) infrastructures, tools and services so that (i) the staff is adequately supported in their operation, with the appropriate levels of training and security, and so that (ii) a high quality information system life cycle is assured in support of DG AGRI's activities.</b>	
Indicator: Implementation of the relevant parts of the Schéma Directeur (ICT Investment Plan of DG AGRI). Source: Financial execution	
Baseline (2013)	Target
100 %	95 % (unforeseen circumstances can lead to decommitments)
Indicator: Servers' availability (averaged over one year) Source:	
Baseline (October 2012)	Target
>99 %	≥99 % (It takes into account critical systems which need to be restored within 1-2 days).
Indicator: Information Systems User Satisfaction Source: Survey DG AGRI	
Baseline (October 2014)	Target (mid-term)
81%	>= 80 %, to be progressively increased (high quality standard with margin of improvement)

IT enables DG AGRI to pursue its mandate and to adapt to the future new CAP. The role of the IT regarding the mission of the DG is:

- to make available a high quality and secure Information and Communication Technology environment (infrastructure, support and training), in co-operation with DG DIGIT, to support the DG in fulfilling its targets;
- to deliver and maintain up-to-date information and communication systems and services in support of the DG's activities, in line with the political priorities.

IT is fulfilling its role by:

- Providing IT instruments to support the business **complying with the CAP regulatory framework** and in **implementing of the CAP Reform**, including the control and mitigation of the related risks:
  - AGREX developments continue, taking into account the new CAP instruments (management of suspensions...) and the new ABAC architecture.
  - RDIS system will cover the closure and ex-post evaluation of the 2007-2013 period. The development of RDIS II covering the 2014-2020 period will continue, line with the various programming period deadlines. An update of

the convergence plan towards a single common Programme Management back-office will be prepared by the business domain leader (DG REGIO).

- In support of the agricultural products quality regulation, the development of e Ambrosia continues, with the progressive phasing-out of e-Bacchus/e-SpiritDrinks, the integration of DOOR in the same IT system and the enrichment with additional workflows for processing new applications, objections, amendments and cancellation for wines, foodstuff and spirits, towards a unified IT instrument to support the agricultural quality products policy.
- CATS/COMBO functionalities will be extended with, among other features, additional functionalities for the financial correction module, adaptation of the audit deadlines and the multi-annual risk management.
- OFIS (Organic Farming Information System) provides and will continue to be extended to support to the action plan on the risk related to the supervision and control system of organic products, including the TRACES module for electronic certificates.
- Leveraging IT to **promote innovation** and **simplify the administrative processes** and procedures in order to increase their efficiency and effectiveness:
  - The ISAMM (Information System for Agricultural Market Management) Communication Module has attained a cruise speed, all remaining notification should be digitized during 2015-16. In parallel, the reporting and data analysis capabilities will be extended.
- *Enabling a **knowledge-based administration** by facilitating the access to the information and promoting the linkage between IT systems and underlying processes:*
  - The AGRIVIEW datawarehouse which provides DG AGRI with a single repository of integrated and consolidated data accompanied by reporting tools, in order to facilitate and support analysis, evaluation and decision-making provides now support to the preparation of the annual statistical agricultural reports of DG AGRI. In the pipeline there are the update of the Rural Development module and the CAP monitoring and evaluation indicators (CMEF).
  - The capabilities offered by the collaborative workspaces will be further exploited to increase co-operative activities and sharing of information

Almost 100% of development activities related to information systems are now provided through "Time&Means" contracts, given the proven better efficiency of this model. The agile development methodology (SCRUM) has also been introduced and leads to the delivery of systems better aligned with the expectations of the Project Owners. Activities will continue in this direction.

In terms of infrastructure and in line with the IT rationalisation, the IT support has been transferred to DG DIGIT (ITIC) since 2013. As regards to DG AGRI Data Centre, a scenario for a possible progressive migration of all DG AGRI information systems to DG DIGIT Data Centre will be prepared, taking into account expected costs and benefits. In the meantime, the Disaster Recovery Infrastructure in place will be maintained and periodically tested. Security Plans have been established for the main IT systems, additional ones are under evaluation.

The information systems will continue to be aligned with the recommendations of the new EC IT governance bodies. Reusing modules (e.g. DG DIGIT Reference architecture for information system development) and information systems (e.g. State Aids tools provided by DG COMP), collaborating and sharing of resources with other DGs (DG EMPL, DG REGIO, DG HOME, DG SANCO) will be the main aspects in this strategic axis.

<b>Specific objective 3: To attract, deploy, develop and retain highly qualified staff and provide them with working conditions that support them in the accomplishment of their tasks</b>	
Indicator: Average vacancy rate of available permanent posts Source: HR Dashboard	
Baseline (2013)	Target (mid-term)
7,3 % <sup>82</sup>	Vacancy rate < or = Commission average (Nov 13- Oct 14: 6,5%)  <i>Target agreed at level of resource director</i>
Indicator: HR capacity utilisation <sup>83</sup> Source: HR Dashboard	
Baseline (December 2012-November 2013)	Target (mid-term)
89,3 %	Utilisation > or = Commission average (Oct.13- Sept 14: 90.5%)  <i>Target agreed at level of resource director</i>
Indicator: Management positions held by women <sup>84</sup> Source: HR Dashboard	
Baseline (01 December 2013)	Target (mid-term)
24,5 % MM  21.4 % SM	Reach targets set by DG HR  MM AGRI target 2014: 29.6 %  SM Commission target 2014: 25% SM Commission average 01/10/14: 27,8 % <i>(target agreed at level of resource director)</i>

<sup>82</sup> Vacancy rate at a relative high level due to number of posts in the reserve to prepare for post transformations and staff reductions.

<sup>83</sup> Staff time available for allocation to activities after deducting absences (except annual leaves and flexitime Recuperation) and use of flexible working arrangements from the total number of available working days.

<sup>84</sup> Calculation of targets according to the Commission's Equal Opportunities Strategy 2010-2014: DG specific targets for middle management (MM) baseline is 2010 (in AGRI: 14 female MM=25.9 %; 8 MM retirements expected until end 2014 (2F+6M), target of 50/50 replacement => recruitment of 4 female MM; end value would be 16 female MM=29.6 %). Senior management (SM) targets are for the Commission as a whole. The targets have been adapted the Commission's Equal Opportunities Strategy 2010-2014.

Indicator: Staff satisfaction with: - job - private/ professional life balance Source: DG HR staff survey 2013		
Baseline (2013)	Target (mid-term)	
Results for very satisfied & satisfied Job satisfaction: 75,6% Life balance: 66%	Equal or better results than Commission average <i>(target agreed at level of resource director)</i> COM average: Job satisfaction: 72,2% Life balance: 66%	
Indicator: Local Overheads Source: HR Dashboard		
Baseline (2013)	Milestone (2014)	Target (2016)
18 January 2013 12 %	Equal or below family average: 10.0%	Below family average Commission average: 7.7% <i>(target agreed at level of resource director)</i>

## HR strategy in support of the business operations

### I. HR gaps and challenges

#### General trends:

Three major trends have been identified in DG AGRI's HR plan that will have an impact on the shape and future evolution of the workforce:

- 1) Staff reduction: the Commission has decided to cut staff by 5% over the period 2013-2017 without reducing the scope of activities or the number of priorities.
- 2) Ageing: DG AGRI's staff is ageing, with almost one quarter of the officials and temporary agents over the age of 55.
- 3) Changing career patterns and expectations: the new staff regulations in force since 1st January 2014 have introduced new rules that affect directly the career path and the expectations of the staff.

#### The operational context:

Operational priorities of DG AGRI and other externally driven decisions also impact on its workforce and structures:

- 1) The focus on sound financial management of the CAP expenditure and further reduction of residual rates of error justify the need to further invest in the professionalisation of staff working as external auditors.

- 2) The revised policy of promotion of agricultural products includes the delegation of programme management tasks to the executive agency CHAFEA and the phasing out of the corresponding tasks in DG AGRI.
- 3) The delegation of programme management tasks to the Research Executive Agency (REA) requires keeping adequate staffing and expertise in DG AGRI for policy development and coordination with the other DGs of the Research family.
- 4) The start of a new programming period for rural development programmes will need to be accompanied by reflections on adequate staffing and efficient processes in geographical and RD coordination units.
- 5) The Commission decision to transfer the IAC to IAS needs to be implemented taking into account the interest of the service and individual's preferences.

#### Evolution of work force – Gap analysis

DG AGRI's basic job quota has been/will be reduced as a result of the following elements:

- a) 1% staff reduction levy
- b) Up to 1% redeployment tax
- c) Delegation of the management of the promotion programmes to the executive agency CHAFEA
- d) Others (transfer of ex-D posts into credits, transfer of IAC to IAS)
- e) DG RTD Common Support Centre (CSC)

For the moment we do not know how many posts will be lost for the transfer of the IAC, and whether we will receive additional posts for research as requested in the context of the 2015 final allocation decision. If the current redeployment tax is kept at its current level, DG AGRI will lose at least another 71 posts from 2015 to 2017 and the total job quota would fall to under 933 posts.

Based on figures provided to us by DG HR early 2014, the total number of outflows for permanent staff and temporary agents will reach 224 by 2017 in DG AGRI. These outflows will mainly affect the following three profiles: Law making, monitoring and enforcement, Policy making and Budgetary management and anti-fraud.

Given that the outflows are spread throughout the period 2014-2017, the volume of departures as well as their pace will not create any critical gap. Part of the outflows will be used to cope with the challenges posed by staff cuts. The remaining number of vacant posts will be filled by external recruitment. In this sense, a specific external competition for agronomists is being considered.

Even if DG AGRI is not affected by a shortage of skills or work profiles, the human resources policy will need to ensure that certain HR processes – recruitment, learning & development, mobility – are best implemented in order to ensure that the right person is at the right place at the right time.



## II. Strategic HR objectives

In a context where the efficiency and effectiveness in the use of administrative appropriations takes an ever-increasing importance, human capital is by far the most important resource, and strategic HR planning becomes a pre-condition for the achievement of operational objectives.

The DG AGRI HR plan identifies and develops strategic objectives for all 8 HR processes of which only a selection is briefly mentioned here below:

### 1) Workforce planning, organisational structure and efficiency

Given the generalised staff reduction, workforce planning becomes more than ever crucial. Staff cuts will lead to non-replacement of part of the retiring staff. Anticipation of these natural departures will be necessary to ensure business continuity in the sensitive areas. This will also require redeployments according to political and operational priorities. An efficient staff allocation will be crucial given the limited available resources: the task mapping methodology and better workload assessment tools will help improving management decisions in this area.

In DG AGRI, the proportion of ADs is 56%, lower than the ratio of the family (58%). This small gap will be reduced thanks to the transformation of a limited number of AST posts into AD posts in the context of the annual budgetary procedures, and the primary use of AST posts to return to the central services in the context of the staff reduction and redeployment exercises.

Similarly, the effect of staff cuts on the organisational structure will have to be closely monitored as they could trigger the need for new organisational adjustments.

### 2) Learning and development

In order to attract talents and ensure they are operational as quickly as possible, DG AGRI will continue investing in its learning culture. The last staff survey supports the need to further discuss training needs with the managers. Special attention will also be paid to newcomers (induction process) and to staff members leaving their current position (handover process).

DG AGRI's population is ageing. Given the more limited possibilities for replacing retiring staff due to the staff cuts, DG AGRI also needs to reflect on current processes that ensure business continuity (meaningful objectives, quality job descriptions, detailed handover files, induction programmes, mentoring and tutoring schemes, pool of internal trainers, etc.).

The ability to adapt quickly to the changing environment will be essential. Geared training actions can help facilitate this change process and career guidance counsellors will give special attention to this dimension during their interventions.

### 3) Recruitment

In the current context of budget and staff reduction, we need "to do more with less". Besides current actions focusing on the quality of the selection process, on the transparency of the job market, and on providing substantial help to the recruiting heads

of unit, it will also become very important to optimise our tools and methods.

DG AGRI will continue its efforts to find the right profiles through internal mobility, and to attract new talents through external recruitments or inter-DG mobility. To this end, DG AGRI could establish closer cooperation with family DGs (i.e. EMPL, MARE, REGIO) or DGs dealing with related matters (e.g. SANCO, TRADE, COMP) through exchanges of staff interested in mobility or by advertising relevant vacancies on their intranet.

Following the introduction of new types of posts in the new staff regulations, DG AGRI will have to deal with the timely recruitment on AST/SC posts and the selection of Senior Assistants and Senior Experts.

#### 4) Career development

In the context of staff cuts, DG AGRI will need to focus even more on the efficient management of the available resources. The needs of DG AGRI in terms of competencies, knowledge and expertise, while addressing new political and operational objectives in the future, will be covered by a smaller number of existing staff, with less new talents recruited from the outside. Managing longer careers of the officials and helping them to steer their development in order to ensure that they continue to make a valuable contribution from recruitment to retirement will be a critical component of HR management, especially if one considers the impact of the new staff regulations on the career path of existing staff.

A reduced workforce also means that we need to make best use of all available talents in the DG. Further targeted measures will have to be developed and implemented in DG AGRI to contribute to achieving the objective that the President Juncker has set the Commission: to achieve 40% of female senior and middle management in the Commission by the end of its mandate.

### III. Follow up and specific actions

The HR plan of DG AGRI identifies some key priorities in terms of HR management for the years to come and develops corresponding actions that are summarised in an action plan. Grouped by responses to the three trends mentioned in part I, they can be presented as follows:

#### Staff cuts

- ✓ Analysis of the age pyramid and staff turnover so as to plan and prepare DG AGRI's response to staff reduction obligations
- ✓ Need to earmark posts to cover staff cuts
- ✓ Analyse vacant posts prior to any publication or redeployment
- ✓ Encourage redeployments from overhead tasks to operational activities
- ✓ Since staff reduction will further decrease the size of some entities, the organisation structure might need to be further adapted in the future
- ✓ Optimise further processes and procedures

- ✓ Adjust working models to help staff to cope with the increased workload, stress at work and work-life balance
- ✓ Deal with a smaller Commission job market, which will create a fiercer competition to attract and retain talents

#### Ageing staff

- ✓ Anticipate natural departures to organise business continuity (e.g. agronomists, specialists)
- ✓ Develop succession planning, also for management functions
- ✓ Analyse factors preventing women to apply for management positions
- ✓ Identify key functions in close cooperation with services
- ✓ Need for a more comprehensive reflection on career prospects for 55+ and how to best value/make use of their experience and expertise
- ✓ Monitor the effect of retirements on the gender balance

#### New staff regulations

- ✓ Align grades with the level of responsibilities/duties whenever possible
- ✓ Consider new career paths in the review of the mobility policy
- ✓ Guarantee equity of the performance management system
- ✓ Support staff members having difficulties in attaining their objectives

<b>Specific objective 4: To maintain effective document management system; ensure compliance with personal data protection rules in force, and ensure a high level of transparency and security in DG AGRI.</b>	
Indicators: 1. Percentage of filing of documents in DG AGRI 2. % percentage of files in NOMCOM where no documents are filed within the last 12 months from the total number of active files in AGRI (including subfiles) <sup>85</sup> Source: ARES, Composite Indicator	
Baseline (2014)	Target (mid-term)
1. 99.85% 2. 6.45% files in NOMCOM where no documents are filed within the last 12 months from the total number of active files in AGRI (including subfiles)	1. 100 % of documents ARES filed 2. 0% files in NOMCOM where no documents are filed within the last 12 months <i>e-Domec rules, Composite Indicator, ARES. NOMCOM</i>
Indicator: Respect of deadlines in answering requests for documents Source: Gestdem (application for managing access to documents requests)	
Baseline (2014)	Target (mid-term)
100 % (211 requests as of 27/10/2014)	100 % of request for documents answered within established deadlines <i>Regulation (EC) 1049/2001</i>
Indicator: Notification of identified personal data processings in DG AGRI Source: DPO register	
Baseline (2014)	e-Target (mid-term)
97 % (32 identified personal data processings, of which 31 are in the register)	100 % of identified processings included in the register of the DPO <i>DPO register</i>

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<sup>85</sup> New indicator proposed further to the recommendation included in the IAC Audit report on document management.

<p><b>Specific objective 5: To implement, maintain and report on an effective and reliable internal control system so that:</b></p> <ul style="list-style-type: none"> <li>○ <b>the control procedures put in place give the necessary guarantee concerning the legality and the regularity of the underlying operations;</b></li> <li>○ <b>risk of errors in operations is minimised and;</b></li> <li>○ <b>reasonable assurance can be given that resources assigned are used according to the principles of sound financial management.</b></li> </ul>	
<p><b>Internal Control</b></p>	
<p>Indicator: Formal compliance with internal control standards: - Degree of compliance Source: Yearly assessment of ICS compliance (ICS n° 15)</p>	
Baseline (2013)	Target (mid-term)
100%	100 % (Internal Control objective)
<p>Indicator: Effective implementation of prioritised control standards: Degree of implementation of planned actions on prioritised control standards Source: Yearly assessment of ICS compliance (ICS n° 15)</p>	
Baseline (2013)	Target (mid-term)
100% (December 2013)	100 % (Internal Control Objective)
<p>Indicator: Support and coordination of the risk management process: Establishment and maintenance of a DG Risk Register with the critical and significant risks Source: Risk Register exercise</p>	
Baseline (2013)	Target (mid-term)
Risk Register finalized	Keep up-to-date DG Risk Register
<p><b>Assistance and Central Financial Control, Executive Agencies</b></p>	
<p>Indicator: Respect of deadline put in the vademecum of Direct management for analysing and giving/refusing visa to incoming dossiers related to financial transactions, financial issues, public procurement and grants Source: DG AGRI</p>	
Baseline (01/01/2014-31/05/2014)	Target (mid-term)
427 entries (292 for second level ex-ante control and 135 for compliance control )  Within 2 days to check the file	within 5 working days for financial issues (for second level ex-ante control) within 10 working days for public procurements and grants (for second level ex-ante control) <i>Target defined in conformity with the rules of the vademecum on Direct management of DG AGRI</i>

Indicator: Respect of deadline put in the vademecum of Direct management for the launching, coordination and adoption of financing decisions Source: DG AGRI	
Baseline (01/01/2014-31/05/2014)	Target (mid-term)
Ad hoc financial decisions : 4 for operational lines and 2 for administrative lines  Adoption within set delays	2 months maximum  <i>Target fixed for the preparation of the consolidated documents and the launching of the procedure for the adoption of the financing decisions</i>
Indicator: Respect of deadline put in the vademecum of Direct management for the attribution of designations and sub delegations in the financial circuits	
Baseline (01/01/2014-31/05/2014)	Target (mid-term)
Within 2 days	5 working days maximum <i>Target fixed taking into account the necessary time to deal with such files</i>
Indicator: Timely adoption of the documents necessary for the delegation to CHAFEA executive agency <sup>86</sup> Source : DG AGRI	
Baseline	Target
<i>New indicator</i>	01/01/2016 (for CHAFEA)  <i>Indication by the Director of the External Agency during the Steering Committee</i>
Indicator: Respect of the deadline in the preparation of the briefing(s) for the participation of DG AGRI representative in the Steering Committees (in charge of the monitoring of the activities of the Agency) <sup>87</sup> Source: DG AGRI	
Baseline	Target
<i>New indicator</i>	31/12/2015 The Steering Committee meetings are organised at least four times a year

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<sup>86</sup> Indicator updated.

<sup>87</sup> Indicator replacing the previous one "Establishment of the internal structure for the management and follow up of the administrative and financial issues related to the implementation of the DG AGRI research activities".

Indicator: Number of trained staff on financial issues Source: DG AGRI	
Baseline (01/01/2014-31/05/2014)	Target (mid-term)
0	100 <i>Target fixed in order to decrease the risk of errors in financial files due to a lack of training</i>
<b>Key indicators on legality and regularity</b>	
<i>Indicator: Residual Error Rate and corrective capacity</i> <sup>88</sup> <i>Source: DG AGRI AAR 2013</i>	
<i>Baseline (Financial year 2013)</i>	<i>Target (Financial year 2014)</i> <sup>89</sup>
EAGF Residual Error Rate: 2.70% Corrective capacity: 1.37%  EAFRD Residual Error Rate: 5.19% Corrective capacity: 1.69%	Improve the accuracy and transparency of reporting The level of error is not under the control of DG AGRI as the CAP is implemented in shared management by the Member States.
<i>Indicator: Reception of certificates and reports of certification bodies on functioning of paying agencies' internal control systems</i> <i>Source: DG AGRI AAR 2013</i>	
<i>Baseline (Financial year 2013)</i>	<i>Target 2015 (financial year 2014)</i>
100 % for financial year 2013	100 % received to be able to be taken into account for the AAR <i>Required by Regulations 1306/2013 &amp; 885/2006</i>
<i>Indicator: Reception of statements of assurance signed by the directors of paying agencies</i> <i>Source: DG AGRI AAR 2013</i>	
<i>Baseline (Financial year 2013)</i>	<i>Target 2015 (financial year 2014)</i>
100 % for financial year 2013	100 % received to be able to be taken into account for the AAR <i>Required by Regulations 1306/2013 &amp; 885/2006</i>

<sup>88</sup> Terminology for "Residual Error Rate" and "corrective capacity" as defined by DG AGRI in 2013 AAR.

<sup>89</sup> The AAR signed in the year N+1 reports on the financial year N.

<i>Indicator: Reception of opinions of certification bodies on statements of assurance</i> <i>Source :DG AGRI AAR 2013</i>	
<i>Baseline (Financial year 2013)</i>	<i>Target 2015 (financial year 2014)</i>
100 % for financial year 2013	100 % received to be able to be taken into account for the AAR <i>Required by Regulations 1306/2013 &amp; 885/2006</i>
<i>Indicator: Percentage of expenditure (EAGF + EAFRD) with statistics or 100 % check</i> <i>Source: DG AGRI AAR 2013</i>	
<i>Baseline (Financial year 2013)</i>	<i>Target 2015 (financial year 2014)</i>
91.7% for financial year 2013	95 %
<i>Indicator: Reception of opinion of certification bodies on the quality of the on-the-spot controls</i> <i>Source: DG AGRI AAR 2013</i>	
<i>Baseline (Financial year 2013)</i>	<i>Target 2015 (financial year 2014)</i>
For financial year 2013 and (2012): EAGF – IACS 100 % (100%) EAGF – non IACS 84 % (91 %) EAFRD – IACS 97 % (98 %) EAFRD – non IACS 96% (96 %)	100 % received to be able to be taken into account for the AAR <i>Required by DG AGRI guidelines.</i>
<i>Indicator: Reception of opinions of certification bodies on the accuracy of the control statistics<sup>90</sup></i> <i>Source: DG AGRI AAR 2013</i>	
<i>Baseline (Financial year 2013)</i>	<i>Target 2015 (financial year 2014)</i>
For financial year 2013 and (2012): EAGF – IACS 97 % (95 %) EAFRD 95 % (91 %)	100 % received to be able to be taken into account for the AAR <i>Required by DG AGRI guidelines.</i>
<b>Sound financial management</b>	
<i>Indicator: Level of financial corrections</i> <i>Source: Conformity clearance decisions (EUR-Lex)</i>	
<i>Baseline (2014)</i>	<i>Target (mid-term)</i>
Conformity clearance decisions adopted for € 1.775billion - Decision 44: 2014/191/EU of 08/04/2014 for € 318 million - Decision 45: 2014/458/EU of 12/07/2014 for € 57 million - Decision 46: to be adopted in December 2014 for around €1.4 billion)	€ 700 million N.B. While around € 700 million is clawed back to the EU budget each year via conformity clearance decisions, the attainment of a certain level of financial correction is not an objective per se – rather, the aim is to ensure that management and control systems function correctly and that EU funds are thus spent correctly. € 700 million is the best available estimate of financial correction based on historic averages.

<sup>90</sup> The indicator "Reception of annual summaries from the coordinating bodies" has been deleted.



<p><b>Specific objective 6: To implement and develop the DG AGRI Anti-fraud Strategy by</b></p> <ul style="list-style-type: none"> <li>- Raising awareness for fraud against the CAP budget and sharing intelligence on fraud cases, their detection and among staff of the DG,</li> <li>- Sharing intelligence on fraud cases, their detection and prevention with the relevant authorities in Member States,</li> <li>- Maintaining operational contacts with the European Anti-fraud Office (OLAF) and disseminate the relevant reports within DG AGRI as appropriate.</li> </ul>	
<p><i>Indicator:</i> Development and implementation of DG AGRI's anti-fraud strategy  <i>Source:</i> DG AGRI Anti-fraud Strategy</p>	
<i>Baseline (2012)</i>	<i>Target (mid-term)</i>
Continued development of the DG AGRI Anti-fraud Strategy	<ul style="list-style-type: none"> <li>• Revise the DG AGRI Anti-fraud Strategy and its action plan and – if a revision proves necessary - present the revised version for adoption (target date: 30 June 2015)</li> </ul> <p>Revise and complete the internal rules in DG AGRI on the handling of allegations of fraud, and of OLAF cases, and – if a revision proves necessary - present the revised version for adoption (target date: 30 June 2015) <i>These targets are laid down in the DG AGRI Anti-fraud Strategy and its action plan</i></p>
<p><i>Indicator:</i> Prevention of fraud  <i>Source:</i> DG AGRI Anti-fraud Strategy</p>	
<i>Baseline (2012)</i>	<i>Target (mid-term)</i>
Continued implementation of the DG AGRI Anti-fraud Strategy	<ul style="list-style-type: none"> <li>• Deploy further training to raise fraud awareness among general staff of DG AGRI. Target: 1 SYSLOG training by the end of 2015</li> <li>• Deploy specific training to raise fraud awareness among desk officers of geographical units for Rural Development of DG AGRI Target: 1 SYSLOG training by 30 June 2015.</li> <li>• Deploy specific training to the relevant auditors of Directorate J on the new anti-fraud provisions applicable to Paying Agencies (target date: 30 June 2015).</li> <li>• Develop an interactive IT platform for Paying Agencies for fraud awareness and the exchange of fraud-related information (target date: end of 2015).</li> <li>• Deploy specific fraud detection and prevention training to operational staff of</li> </ul>

	<p>Paying Agencies Member States. Target: Cover 25 Member States by the end of June 2015.</p> <p>Disseminate OLAF reports to the relevant units inside DG AGRI and record the follow-up actions undertaken <i>These targets are (without quantification) laid down in the DG AGRI Anti-fraud Strategy and its action plan.</i></p>
<p><i>Indicator:</i> Timely referral of denunciations to OLAF for investigation  <i>Source:</i> DG AGRI Anti-fraud Strategy</p>	
<i>Baseline (2013)</i>	<i>Target (mid-term)</i>
<p>100%</p> <p>(33 cases referred)</p>	<p>100 %</p> <p><i>Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF)</i></p>

<p><b>Specific objective 7: To establish, perform, monitor and report on the accounting execution of the CAP and Rural Development so that reliable and timely production of the accounts of DG AGRI is assured.</b></p>	
<p><i>Indicator:</i> % of accounting execution (charges 1 year) with respect to cut-off EAGF + EAFRD - entitlements</p>	
<i>Baseline</i>	<i>Target (mid-term)</i>
<i>New indicator</i>	80-120 %
<p><i>Indicator:</i> % of accounting execution (charges 6 months) with respect to cut-off EAFRD - investments</p>	
<i>Baseline</i>	<i>Target (mid-term)</i>
<i>New indicator</i>	80-120 %

## 5.3 Examples of specific efforts to improve economy and efficiency of financial and non-financial activities

### **Dissemination of answers to MS questions through CIRCA**

With the reform of Direct Support, Member States had to make major policy choices in a very short time span. The many questions (+/- 45 so far) are systematically replied in written and, after their validation by our legal advisors, published on CIRCA and made available to all authorised MS delegates. The replies are also widely circulated internally. This system could significantly reduce the number of similar questions asked by other MS.

### **Simplification of the EAGF monthly payments system**

In 2012, taking advantage from the ongoing changes in the agricultural legislative framework, DG AGRI examined both internally and with Member States how to improve the procedures of the monthly payments in order to boost the efficiency and economy of the allocated resources without neglecting the effectiveness of the essential financial controls.

The most significant results of this simplification exercise in unit D4 were reflected in the Commission implementing regulation (EU) No 908/2014. A new system for the EAGF declaration of expenditure will enter into force as of financial year 2015.

In practical terms, instead of declarations on the 3rd, 10th and 20th of each month, each one with an increasing level of detail, the latter two declarations will be merged into one that will be received for the 12th of each month. This deadline is necessary to allow time to prepare the EAGF payments to Member States by Commission decision at the start of the following month. In addition, since this new declaration will be already submitted at the level of the budget sub item, the eligibility controls will be applied on it (taking also the place of the two current declarations which arrive the 20th of each month).

Most Member States welcomed the proposal even though some were concerned they will be required to prepare their detailed expenditure declarations sooner each month and would have less time to prepare forecasts of future expenditure. This difficulty is mitigated by the integrated accounting systems that allow a much faster or even immediate reconciliation. Forecasts of future expenditure will be available sooner to the Commission services, allowing time to seek clarification from certain Member States if necessary.

Besides this improvement, further procedural and a number of IT modifications were put in place in order to save resources by improving the exchange of information between units, reallocating tasks and decreasing the manual treatment of files. A further advantage is that this approach is more compatible with the Commission accounting system as regards ABAC invoice.

**ANNEXES**

## Annex 1. Prioritised internal control standards for effective management

<i>Priority Control Issues</i>			<i>(4) Summarise the relevant requirements and/or effectiveness criteria</i>	<i>(5) Control issues and planned measures to improve or develop controls</i>
<i>(1) Prioritised in MP 2014</i>	<i>(2) Effectively implemented</i>	<i>(3) Internal Control Standards</i>		
N	Y	<b>ICS 5 - Objectives and Performance indicators</b>	The standard has been selected in order to improve DG AGRI's performance reporting in the Annual Activity Report.	Actions will focus on progress with regards to reporting on CAP objectives and indicators in cooperation with services in charge of evaluation.
N	N	<b>ICS 7 – Operational structure</b>	The standard has been selected in order to improve IT governance.	Actions will focus on the implementation of the relevant elements of the action plan established in the framework of the IAS audit on the Management of local IT.

## Annex 2. Planning of studies (evaluations and other studies)

No	Title	Reason <sup>1</sup>	Scope <sup>2</sup>	Type of evaluation or other study			Timing <sup>6</sup>		Associate d DGs	Planned costs (EUR)	Comments <sup>7</sup>
				Focus <sup>3</sup>	Author <sup>4</sup>	Type <sup>5</sup>	Start	End			
<b>I. On-going evaluations (work having started in previous years)</b>											
A57	Beef labelling rules	L	To evaluate the impacts of beef labelling rules and on consumers, in particular those of the compulsory and the voluntary labelling system and the rules of controls.	P/R	E	R	Oct-14	Oct-15	SANCO, MARKT, TRADE	300000,00	
A58	Article 68 measures	FR	To evaluate specific supports and coherence with other policies, market effects, development of the sectors supported, impacts beyond the supported sectors and regions, environmental and other impacts, management and administration arrangements, relevance and efficiency of Article 68.	P/R	E	E	Nov-14	Oct 15	ENTR, BUDG, SG, CLIMA	450000,00	

No	Title	Reason <sup>1</sup>	Scope <sup>2</sup>	Type of evaluation or other study			Timing <sup>6</sup>		Associate d DGs	Planned costs (EUR)	Comments <sup>7</sup>
				Focus <sup>3</sup>	Author <sup>4</sup>	Type <sup>5</sup>	Start	End			
A56	Information policy	L	To evaluate the information policy on the CAP.	R	E	E	Jul-14	May-15	ELARG, COMP, COMM, ESTAT, SG, RTD, ENTR	450000,00	
	Ex-ante evaluation synthesis of RDPs 2014-2020	L	To provide an analysis and synthesis of ex-ante evaluations of the RDPs: process of the ex-ante evaluations, intervention logic and internal coherence of RDPs, external coherence and added value, specific clusters of actions.	P	E	E/R	Dec-14	Nov-15	RTD, BUDG, CLIMA, COMP, EAC, ECFIN, EMPL, ENTR, ENV, MARE, REGIO, SG	550000,00	
<b>II. Evaluations planned to start in 2015 or later</b>											
A60	Mapping and analysis of the implementation of the CAP	L	It consists of the mapping of the implementation choices of Member States and a first analysis of the impact of these choices.	R	E	E/R	Jan – Mar 2015	2016	ENV, TRADE, SG	450000,00	

No	Title	Reason <sup>1</sup>	Scope <sup>2</sup>	Type of evaluation or other study			Timing <sup>6</sup>		Associate d DGs	Planned costs (EUR)	Comments <sup>7</sup>
				Focus <sup>3</sup>	Author <sup>4</sup>	Type <sup>5</sup>	Start	End			
A51F C1	Tendering on a framework contract for the evaluation of the contribution of the CAP to the general objective "viable food production"	L	It evaluates the production sectors or farming systems, examining the combined impact of relevant CAP policy measures on parameters such as the market, income and competitiveness.	R	E	E/R	Oct – Dec 2015	2021	ENV, ENTR, TRADE, SG, SANCO, CLIMA, ESTAT	3300000,00	The budgets are the maximum indicative amounts foreseen for the whole period 2015-2021.
A51 FC2	Tendering on a framework contract for the evaluation of the contribution of the CAP to the general objective "sustainable management of natural resources and climate action"	L	It examines the combined impact of the relevant PAC policy instruments on environmental parameters.	R	E	E/R	Oct – Dec 2015	2021	ENV, ENTR, TRADE, SG, SANCO, CLIMA, ESTAT	4400000,00	
A51 FC3	Tendering on a framework contract for the evaluation of the contribution of the CAP to the general objective "balanced territorial development"	L	It uses a thematic and territorial approach to examine the combined impacts of the relevant policy, measures and instruments vis-à-vis this policy objective.	R	E	E/R	Oct – Dec 2015	2021	ENV, ENTR, TRADE, SG, SANCO, CLIMA, ESTAT	2500000,00	



No	Title	Reason <sup>1</sup>	Scope <sup>2</sup>	Type of evaluation or other study			Timing <sup>6</sup>		Associate d DGs	Planned costs (EUR)	Comments <sup>7</sup>
				Focus <sup>3</sup>	Author <sup>4</sup>	Type <sup>5</sup>	Start	End			
A51 FC4	Tendering on a framework contract for synthesis and cross-thematic evaluations	L	It serves to prepare synthesis reports, such as the reports to be submitted to the Council and the European Parliament by 31 December 2018 and 2021.	R	E	E/R	Oct – Dec 2015	2021	ENV, ENTR, TRADE, SG, SANCO, CLIMA, ESTAT	2000000,00	
B36	Technical assistance for RD evaluation 2014-2020 (Helpdesk)	L		R	E	O	2015	2015		1687900,00	Assistance for MS to conduct evaluations of Rural Development Programmes
A59	POSEI	LMFF	To assess the efficiency and effectiveness of the specific needs of the outermost regions (including smaller Aegean islands), the contribution of the programmes to the overall CAP objectives and the added value of these programmes, the administrative burden generated by the programmes.	R	E	E	Jan - Mar-15	June 2016	TRADE, SG, MARE, ENTR	600000,00	
	EIP agricultural productivity and sustainability	L	To assess the implementation and achievements of the EIP	P	E	R	Oct – Dec 2015	2016		400000,00	

No	Title	Reason <sup>1</sup>	Scope <sup>2</sup>	Type of evaluation or other study			Timing <sup>6</sup>		Associate d DGs	Planned costs (EUR)	Comments <sup>7</sup>
				Focus <sup>3</sup>	Author <sup>4</sup>	Type <sup>5</sup>	Start	End			
			Agriculture, in particular its usefulness for farmers.								
A51 FC1	Initial evaluation of the contribution of the CAP on "viable food production"	L	To provide a first analysis of the CAP impact.	R	E	E/R	2016	2017		-	Within framework contract A51FC1
A51 FC2	Initial evaluation of the contribution of the CAP on "sustainable management of natural resources and climate action"	L	To provide a first analysis of the CAP impact.	R	E	E/R	2016	2017		-	Within Framework contract A51FC2
A51 FC3	Initial evaluation of the contribution of the CAP on "balanced territorial development"	L	To provide a first analysis of the CAP impact.	R	E	E/R	2016	2017		-	Within Framework contract A51FC3
A51 FC4	Synthesis and cross-thematic evaluations	L	It serves to prepare synthesis reports, such as the reports to be submitted to the Council and the European Parliament by 31 December 2018 and 2021.	R	E	E/R	2016	2017		-	Framework contract A51FC4.
	Technical assistance for RD evaluation 2014-2020 (Helpdesk)	L		R	E	O	2016	2016		1687900,00	Assistance for MS to conduct evaluations of Rural Development Programmes

No	Title	Reason <sup>1</sup>	Scope <sup>2</sup>	Type of evaluation or other study			Timing <sup>6</sup>		Associate d DGs	Planned costs (EUR)	Comments <sup>7</sup>
				Focus <sup>3</sup>	Author <sup>4</sup>	Type <sup>5</sup>	Start	End			
	Evaluation of the milk package	L	To assess the effects of the measures on milk producers and milk production in disadvantaged regions and potential incentives to encourage famers to enter into joint production agreements.	R	E	E/R	2016	2017		tbd	
	Evaluation of the application of Article 29 of Regulation (EU) No 1308/2013 to the olive oil and table olives sector	L	To assess the effectiveness, efficiency, relevance, coherency of EU added value of the aid in the olive oil and table olives sectors as foreseen in the regulation.	R	E	E	2016	2017		tbd	
A51 FC1	Evaluation of the impact of the CAP measures towards the viable food production in the cereals sector	L	To provide an analysis of the impact on the cereals sector of the specific CAP measures/instruments/policies aiming to contribute to the general objective of viable food production.	R	E	E/R	2017	2018		-	Within Framework contract A51FC1

No	Title	Reason <sup>1</sup>	Scope <sup>2</sup>	Type of evaluation or other study			Timing <sup>6</sup>		Associate d DGs	Planned costs (EUR)	Comments <sup>7</sup>
				Focus <sup>3</sup>	Author <sup>4</sup>	Type <sup>5</sup>	Start	End			
A51 FC2	Evaluation of the impact of the CAP on habitats, landscapes and biodiversity	L	To provide an analysis of the impact on habitats, landscapes and biodiversity of the specific CAP measures/instruments/policies aiming to contribute to the general objective of sustainable management of natural resources and climate action.	R	E	E/R	2017	2018		-	Within Framework contract A51FC2
A51 FC3	Evaluation of the impact of the CAP on new marketing strategies	L	To provide an analysis of the impact on marketing strategies of the specific measures/instruments/policies aiming to contribute to the general objective "balanced territorial development".	R	E	E/R	2017	2018		-	Within Framework contract A51FC3
A51 FC4	Synthesis and cross-thematic evaluations	L	It serves to prepare synthesis reports, such as the reports to be submitted to the Council and the European Parliament by 31 December 2018 and 2021.	R	E	E/R	2017	2018		-	Within Framework contract A51FC4

No	Title	Reason <sup>1</sup>	Scope <sup>2</sup>	Type of evaluation or other study			Timing <sup>6</sup>		Associate d DGs	Planned costs (EUR)	Comments <sup>7</sup>
				Focus <sup>3</sup>	Author <sup>4</sup>	Type <sup>5</sup>	Start	End			
	Technical assistance for RD evaluation 2014-2020 (Helpdesk)	L		R	E	O	2017	2017		1687900,00	Assistance for MS to conduct evaluations of Rural Development Programmes
	Synthesis of RD ex-post evaluations 2007-2013	L	To synthesise the evaluations carried out by MS on Rural development programmes.	R	E	E/R	2017	2017		tbd	
	Evaluation on the impact on the internal market of certain state aid measures in the agriculture and forestry sectors	FR	To assess the efficiency of certain state aid measures in the agricultural and forestry sectors and on the potential distortive impact that such aid may have on the internal market and the competition between MS.	R	E	E	2017	2018		tbd	

No	Title	Reason <sup>1</sup>	Scope <sup>2</sup>	Type of evaluation or other study			Timing <sup>6</sup>		Associate d DGs	Planned costs (EUR)	Comments <sup>7</sup>
				Focus <sup>3</sup>	Author <sup>4</sup>	Type <sup>5</sup>	Start	End			
A51 FC1	Evaluation of the impact of the CAP measures towards the viable food production in fruits and vegetables	L	To provide an analysis of the impact on the fruit and vegetables sector of specific CAP measures/instruments/policies aiming to contribute to the general objective of viable food production.	R	E	E/R	2018	2019		-	Within Framework contract A51FC1
A51 FC2	Evaluation of the impact of the CAP on water	L	To provide an analysis of the impact on water of specific CAP measures/instruments/policies aiming to contribute to the general objective of sustainable management of natural resources and climate action.	R	E	E/R	2018	2019		-	Within Framework contract A51FC2
A51 FC3	Evaluation of the impact of the CAP on local development	L	To provide an analysis of the impact on local development of specific CAP measures/instruments/policies aiming to contribute to the general objective of balanced territorial development.	R	E	E/R	2018	2019			Within Framework contract A51FC3

No	Title	Reason <sup>1</sup>	Scope <sup>2</sup>	Type of evaluation or other study			Timing <sup>6</sup>		Associate d DGs	Planned costs (EUR)	Comments <sup>7</sup>
				Focus <sup>3</sup>	Author <sup>4</sup>	Type <sup>5</sup>	Start	End			
A51 FC4	Synthesis and cross-thematic evaluations	L	It serves to prepare synthesis reports, such as the report to be submitted to the Council and the European Parliament by 31 December 2021.	R	E	E/R	2018	2019		-	Within Framework contract A51FC4
	Technical assistance for RD evaluation 2014-2020 (Helpdesk)	L		R	E	O	2018	2018		1687900,00	Assistance for MS to conduct evaluations of Rural Development Programmes
	Impact of EU agricultural promotion policy – internal and third countries markets	FR	To assess the effect of the EU agri-promotion policy.	R	E	E	2018	2019		tbd	
<b>III. On-going other studies (work having started in previous years)</b>											
D 105	Labelling of products from cloned animals and their offspring	O	To analyse the burden on business operators triggered by the requirement to label food from the offspring clones.	R	E	R	Dec 2014	Oct 2015		250000,00	Policy needs.
	GIS technical assistance	O	The technical assistance on the Geographic Information System (GIS) supports DG AGRI units regarding requests for	P/R	E	O	2014	2015		175000,00	Within framework contract.

No	Title	Reason <sup>1</sup>	Scope <sup>2</sup>	Type of evaluation or other study			Timing <sup>6</sup>		Associate d DGs	Planned costs (EUR)	Comments <sup>7</sup>
				Focus <sup>3</sup>	Author <sup>4</sup>	Type <sup>5</sup>	Start	End			
			mapping, spatial analysis and the construction of spatial databases, specific geo-tools and geo-databases.								
D 103	Cost of and good practices for FADN data collection	O	To examine the methods and costs in the MS with regard the FADN data collection.	R	E	E/R	Dec 2014	Nov 2015		250000,00	Policy needs.
<b>IV. Other studies planned to start in 2015 or later</b>											
	Impact of free trade agreements	O	To understand the dynamics of negotiated FTAs.	R	E	R	Oct – Dec 2015	2016		300000,00	Policy needs.
	Protection and controls for quality schemes	O	To compare how MSs organise protection against misuse of PDO/PGI/TSG and organise the controls (production and market places).	R	E	R	Oct – Dec 2015	2016		250000,00	Policy needs.
	GIS technical assistance	O	The technical assistance on the Geographic Information System (GIS) supports DG AGRI units regarding requests for mapping, spatial analysis and the construction of spatial databases, specific	P/R	E	O	2015	2016		175000,00	Within framework contract.



No	Title	Reason <sup>1</sup>	Scope <sup>2</sup>	Type of evaluation or other study			Timing <sup>6</sup>		Associate d DGs	Planned costs (EUR)	Comments <sup>7</sup>
				Focus <sup>3</sup>	Author <sup>4</sup>	Type <sup>5</sup>	Start	End			
			geo-tools and geo-databases.								
	Distribution of the added value of the organic food chain	O	To assess how the added value organic production is distributed along the food supply chain and to what extent it benefit from the organic producers.	R	E	R	Oct – Dec 2015	2016		250000,00	Policy needs.
	State of play of the inter-branch organisations in the EU	O	Stock-taking exercise as to the role and activities of IBOs across different sectors and MSs with the view to facilitating a review of EU legislation.	R	E	R	Oct – Dec 2015	2016		200000,00	Policy needs.
	Influence of water intake on water/protein ratios from scalding to chilling	O	To check whether the limits of total water content in the regulation are fitted for current industrial process in the poultry meat sector and also the chilling methods are still in use. Possible legal review.	R	E	R	Jul – Sept 2015	2016		300000,00	Policy needs.

No	Title	Reason <sup>1</sup>	Scope <sup>2</sup>	Type of evaluation or other study			Timing <sup>6</sup>		Associate d DGs	Planned costs (EUR)	Comments <sup>7</sup>
				Focus <sup>3</sup>	Author <sup>4</sup>	Type <sup>5</sup>	Start	End			
	Update on and assessment of value of production PDO/PGI and under TSG	O	To update the monitoring tool that provides data on the volume, value and trade of production under EU quality schemes and to analyse the evolution of these data.	R	E	R	2016	2017		tbd	Policy needs.
	Analysis of EU trade of organic products	O	To explore third countries' opportunities for EU exports. To improve access to third country markets where there is a high quality and added value.	R	E	E/R	2016	2017		tbd	Policy needs.
	Marketing standards for fruit and vegetables	O	To study the impact of 26 specific marketing standards if they are removed and the usefulness of the existing marketing standards.	R	E	R	2016	2017		tbd	Policy needs.
	Administrative burden	O	Study on the reduction of administrative burden coming from the PAC reform.	R	E	R	2016	2017		tbd	Policy needs.
D 104	Rural tourism	O	To provide knowledge on the implementation of the EAFRD support for	P/R	E	E/R	2016	2017		150000,00	Policy needs.

No	Title	Reason <sup>1</sup>	Scope <sup>2</sup>	Type of evaluation or other study			Timing <sup>6</sup>		Associate d DGs	Planned costs (EUR)	Comments <sup>7</sup>
				Focus <sup>3</sup>	Author <sup>4</sup>	Type <sup>5</sup>	Start	End			
			rural tourism base on experience gained by MS. To assess the role of professional organisations, stakeholders. To establish a database of real projects considered as good practices.								
	Analysis and attractiveness of the organic sector, in particular for small farms and small and medium sized enterprises in the food manufacturing sector	L	To identify obstacles small companies and farmers face when joining the organic sector and to propose adequate solutions.	R	E	R	2017	2018		tbd	Policy needs.
	Logistical facilities and storage capacity in the EU grain sector	L	To assess the competitiveness of EU farmers, to identify possible bottlenecks or lack of capacity which could affect the performance of the sector.	R	E	E/R	2017	2017		tbd	Policy needs.
	Added value of the EU agricultural promotion policy in third countries markets	L	To assess the effects of the EU agri-promotion policy.	R	E	E/R	2017	2017		tbd	Policy needs.

No	Title	Reason <sup>1</sup>	Scope <sup>2</sup>	Type of evaluation or other study			Timing <sup>6</sup>		Associate d DGs	Planned costs (EUR)	Comments <sup>7</sup>
				Focus <sup>3</sup>	Author <sup>4</sup>	Type <sup>5</sup>	Start	End			
	GIS technical assistance	O	The technical assistance on the Geographic Information System (GIS) supports DG AGRI units regarding requests for mapping, spatial analysis and the construction of spatial databases, specific geo-tools and geo-databases.	P/R	E	O	2017	2018		tbd	Within framework contract.
	Implementation of the spirit drinks regulation with a focus on categories and labelling impacts on trade	FR	To assess the impact of the legislation on the production and trade of EU spirit drinks, mainly in terms of labelling and definitions.	R	E	R	2018	2018		tbd	Policy needs.
	GIS technical assistance	O	The technical assistance on the Geographic Information System (GIS) supports DG AGRI units regarding requests for mapping, spatial analysis and the construction of spatial databases, specific geo-tools and geo-databases.	P/R	E	O	2018	2019		tbd	Within framework contract.

<sup>1</sup> L - legal act, LMFF - legal base of MFF instrument, FR - financial regulation, REFIT, CWP - 'evaluate first', O - other (please specify in Comments)

<sup>2</sup> specify what programme/regulatory measure/initiative/policy area etc. will be covered

<sup>3</sup> P - prospective, R - retrospective, P/R - prospective and retrospective

<sup>4</sup> E - external, I - internal, M - mixed (internal with external support)

<sup>5</sup> FC - fitness check, E - expenditure programme/measure, R - regulatory measure (not recognised as a FC), C - communication activity, I - internal Commission activity, O - other (please specify in the Comments)

<sup>6</sup> Please provide month and year (for ongoing projects please provide the real start date)

<sup>7</sup> Allows to provide any comments related to the planned items, in particular changes against the previous year plan in terms of timing and scope with relevant explanations etc.

## Annex 3. Communication strategy

An "External communication strategy for the CAP", under Council Regulation (EC) No 814/2000<sup>91</sup>, was agreed between DG AGRI and the cabinet in 2010 for the period 2010 – 2015. Its main objective is to inform the public (including key opinion leaders, decision makers and agricultural stakeholders) on the CAP post 2013 reform process and its contribution to the "Europe 2020" strategy. 2015 corresponds to the second period as indicated in our strategy, started in 2014 with the adoption of the legislative package on CAP post 2013, where our primary target audience will be the general public in particular young people (less than 40 years old) in urban areas.

A new strategy covering the period 2016-2020 will be elaborated in 2015 in particular in the light of the results and recommendations of the evaluation of the overall communication activities conducted for the period 2010-2014 (expected by mid-2015).

Our communication strategy is implemented through annual action plans, setting out the communication activities to be developed during each year.

The 2015 action plan builds on the activities developed and lessons learned in 2014 and takes on board the CAP related policy initiatives foreseen, Commission's corporate communication priorities, the needs of DG AGRI services in terms of external communication and the priority themes and actions for 2015 indicated by the Cabinet. As agreed in the note ARES (2014)2365480 of 16/07/2014, our intention is to articulate the 2015 action plan around the following three axes:

- **A communication campaign on the CAP**, under the signature "Europe's Common Agricultural Policy: Taking care of our roots" was launched in October 2013 following the decision on the CAP reform. The campaign promotes the importance of sustainable farming among the EU citizens (in particular urban dwellers). 2015 will be the last year of implementation of this campaign, in particular with the development and distribution of an edutainment pack for school teachers.
- The **World Expo 2015** will take place in Milano from 1 May until 31 October 2015 on the theme "Feeding the Planet: Energy for Life". DG AGRI's will organise up to 30 events at this Expo.
- DG AGRI will further develop in 2015 **the networking approach** consisting in engaging others (journalists, stakeholders and MS) to communicate on farming and the CAP given their important multiplication potential. The networking approach with media will adapt to the new structure and rules of the Commission/SPP.

In addition, DG AGRI will continue co-financing CAP related information actions, being present at agricultural fairs and organising conferences on key issues, being involved in DG COMM's corporate communication priorities and campaign, better integrate the Green Team activities with the newly established "country intelligence network" providing communication services to accompany when appropriate any major policy initiative and of course, providing service on external communication to DG AGRI units .

A Eurobarometer survey on agriculture and the CAP will be conducted in the last quarter of 2015 to keep track of EU public opinion on a range of issues relevant to the Commission's

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<sup>91</sup> Repealed by Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and replaced by article 45 of the same Regulation.

work with a view to better target the Commission's communication actions in relation with the CAP.

According to article 45.5 of Council Regulation (EU) No 1306/2013, DG AGRI will present in 2015 a report on the implementation of the CAP information measures to the European Parliament and the Council.

This Action Plan reflects the position as in December 2014. Following the entry into function of the new Commission on the 1st of November, the Action Plan is being reviewed to see whether any new or additional actions might be envisaged for 2015<sup>92</sup>. Arising from the outcome of that review, the Action Plan may be updated during the update of the Management Plan to take account of any new requirements or actions identified.

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<sup>92</sup> Actions referring to the mandate of the Commissioner for Agriculture and Rural Development (Mission letter from Jean-Claude Juncker to Phil Hogan on 10/09/2014):

- Contribution of CAP to the jobs, growth and investment package
- Implementation of the recently agreed CAP reform
- Simplification in the areas of direct payments and in particular as regards greening, rural development, quality policy and the implementation of the CMO regulation.
- Contribution of the agricultural sector to energy efficiency and emissions reductions

## Annex 4. List of Indicators

Types of indicators:

- Impact indicators: outcome of intervention beyond immediate effects
- Result indicators<sup>93</sup>: direct and immediate effect of intervention
- Output indicators: activities directly realised by interventions
- Common context indicators: general contextual trends.

IMPACT INDICATORS <sup>94</sup>
Agricultural entrepreneurial income
Agricultural factor income
Total factor productivity in agriculture
EU commodity price variability
Consumer price evolution of food products
Agricultural trade balance
Emissions from agriculture
Farmland bird index
High Nature Value (HNV) farming
Water abstraction in agriculture
Water quality
Soil organic matter in arable land
Soil erosion by water
Rural employment rate
Degree of rural poverty
Rural GDP per capita

### RESULT INDICATORS

Pillar I Result indicators <sup>95</sup>
Share of direct support in agricultural income
Variability of farm income - by type of farm - by economic size
Value added for primary producers in the food-chain
EU agricultural exports - share of EU agricultural exports in world exports - share of final products in EU agricultural exports
Public intervention: % volume of products bought in intervention storage out of total EU production

<sup>93</sup> For Pillar II, certain indicators are used to set targets at Focus Area level. These indicators are referred to as "target indicators" and usually correspond to result indicators. However, as some targets are not set at result level, there are also target indicators that are not at the same time result indicators. Furthermore, there are result indicators that are not used for target setting, these are referred to as "complementary result indicators".

<sup>94</sup> Commission Implementing Regulation (EU) No 834/2014 of 22 July 2014 laying down rules for the application of the common monitoring and evaluation framework of the common agricultural policy, OJ L 230, 1.8.2014, p. 1-7.

<sup>95</sup> Commission Implementing Regulation (EU) No 834/2014 of 22 July 2014 laying down rules for the application of the common monitoring and evaluation framework of the common agricultural policy, OJ L 230, 1.8.2014, p. 1-7



Private storage: % volume of products exported with export refunds out of total EU production
Export refunds
EU commodity prices compared to world prices (broken down by product)
Value of production under EU quality schemes compared to total value of agricultural and food production
Importance of organic farming - share of organic area in total utilised agricultural area (UAA) - share of organic livestock in total livestock
Crop diversity - on farm (number of farms by number of crops and size) - in a region
Share of grassland in total UAA
Share of ecological focus area (EFA) in agricultural land
Share of area under greening practices
Net greenhouse gas emission from agricultural soils
Structural diversity - in absolute terms - in relative terms

<b>Pillar II Result and complementary result indicators<sup>96</sup></b>
<i>percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)</i>
<i>Change in Agricultural output on supported farms/AWU (Annual Work Unit) (focus area 2A) (*)</i>
<i>percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)</i>
<i>percentage of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)</i>
<i>percentage of farms participating in risk management schemes (focus area 3B)</i>
<i>percentage forest or other wooded area under management contracts supporting biodiversity (focus area 4A)</i>
<i>percentage agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)</i>
<i>percentage of agricultural land under management contracts to improve water management (focus area 4B)</i>
<i>percentage of forestry land under management contracts to improve water management (focus area 4B)</i>
<i>percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)</i>
<i>percentage of forestry land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)</i>
<i>percentage of irrigated land switching to more efficient irrigation systems (focus area 5A)</i>
<i>Increase in efficiency of water use in agriculture in RDP supported projects (focus area 5A) (*)</i>
<i>Increase in efficiency of energy use in agriculture and food-processing in RDP supported projects (focus area 5B) (*)</i>

<sup>96</sup> Commission Implementing Regulation (EU) No 808/2014 of 17 July 2014 laying down rules for the application of Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) - Annex IV, OJ L 227, 31.7.2014, p. 18-68

Renewable energy produced from supported projects ( <i>focus area 5C</i> ) (*)
<i>percentage of LU (Live-stock Unit) concerned by investments in live-stock management in view of reducing GHG (Green House Gas) and/or ammonia emissions (focus area 5D)</i>
<i>percentage of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (focus area 5D)</i>
Reduced emissions of methane and nitrous oxide ( <i>focus area 5D</i> ) (*)
Reduced ammonia emissions ( <i>focus area 5D</i> ) (*)
<i>percentage of agricultural and forest land under management contracts contributing to carbon sequestration or conservation (focus area 5E)</i>
Jobs created in supported projects ( <i>focus area 6A</i> )
<i>percentage of rural population covered by local development strategies (focus area 6B)</i>
<i>percentage of rural population benefiting from improved services/infrastructures (focus area 6B)</i>
Jobs created in supported projects ( <i>Leader</i> ) ( <i>focus area 6B</i> )
<i>percentage of rural population benefiting from new or improved services/infrastructures (Information and Communication Technology - ICT) (focus area 6C)</i>

Indicators in *italics* are also target indicators.

(\*) Complementary result indicators

### Pillar II Target indicators<sup>97</sup>

percentage of expenditure under Articles 14, 15 and 35 of Regulation (EU) No 1305/2013 in relation to the total expenditure for the RDP ( <i>focus area 1A</i> )
Total number of cooperation operations supported under the cooperation measure (Article 35 of Regulation (EU) No 1305/2013) (groups, networks/clusters, pilot projects...) ( <i>focus area 1B</i> )
Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 ( <i>focus area 1C</i> )
percentage of agricultural holdings with RDP support for investments in restructuring or modernisation ( <i>focus area 2A</i> )
percentage of agricultural holdings with RDP supported business development plan/investments for young farmers ( <i>focus area 2B</i> )
percentage of agricultural holdings <i>receiving support for participating in</i> quality schemes, local markets and short supply circuits, and producer groups/organisations ( <i>focus area 3A</i> )
percentage of farms participating in risk management schemes ( <i>focus area 3B</i> )
percentage of forest/other wooded areas under management contracts supporting biodiversity ( <i>focus area 4A</i> )
percentage of agricultural land under management contracts supporting biodiversity and/or landscapes ( <i>focus area 4A</i> )
percentage of agricultural land under management contracts improving water management ( <i>focus area 4B</i> )
percentage of forestry land under management contracts to improve water management ( <i>focus area 4B</i> )
percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion ( <i>focus area 4C</i> )
percentage of forestry land under management contracts to improve soil management and/or prevent soil erosion ( <i>focus area 4C</i> )
percentage of irrigated land switching to more efficient irrigation system ( <i>focus area 5A</i> )

<sup>97</sup> Commission Implementing Regulation (EU) No 808/2014 of 17 July 2014 laying down rules for the application of Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) - Annex IV, OJ L 227, 31.7.2014, p. 18-68

Total investment for energy efficiency (focus area 5B)
Total investment in renewable energy production (focus area 5C)
percentage of LU concerned by investments in live-stock management in view of reducing GHG and/or ammonia emissions (focus area 5D)
percentage of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (focus area 5D)
percentage of agricultural and forest land under management contracts contributing to carbon sequestration or conservation (focus area 5E)
Jobs created in supported projects (focus area 6A)
percentage of rural population covered by local development strategies (focus area 6B)
percentage of rural population benefiting from improved services/infrastructures (focus area 6B)
Jobs created in supported projects (Leader) (focus area 6B)
percentage of rural population benefiting from new or improved services/infrastructures (ICT) (focus area 6C)

## OUTPUT INDICATORS

<b>Direct payments<sup>98</sup></b>
<b>Basic payment scheme</b>
Number of farmers
Number of hectares
<b>Single Area Payment Scheme</b>
Number of farmers
Number of hectares
<b>Transitional national aid (TNA)</b>
Number of farmers
Number of units for which TNA is granted (hectares / animals / other)
<b>Redistributive payment</b>
Number of farmers
Number of hectares
<b>Greening</b>
Total number of farmers who have to apply at least one greening obligation
Total number of hectares declared by these farmers
<b>Greening exemptions</b>
Number of farmers exempted by: organic farmers / exempted from crop diversification / exempted from EFA obligation
Number of hectares declared by these farmers (organic farmers, exempted from crop diversification, exempted from EFA obligation)
<b>Crop diversification</b>
Number of beneficiaries subject to crop diversification (with 2 crops; with 3 crops)
Number of hectares of arable land declared by farmers subject to crop diversification (with 2 crops; with 3 crops)
<b>Permanent grassland</b>
Number of farmers with permanent grassland counting for the ratio

<sup>98</sup> Commission Implementing Regulation (EU) No 834/2014 of 22 July 2014 laying down rules for the application of the common monitoring and evaluation framework of the common agricultural policy, OJ L 230, 1.8.2014, p. 1-7

Number of hectares covered by permanent grassland declared by the farmers counting for the ratio
Number of farmers with permanent grassland in designated environmentally sensitive areas
Number of hectares covered by environmentally sensitive permanent grassland declared by these farmers
Number of hectares of designated as environmentally sensitive permanent grassland (total)
<b>Environmental Focus Area</b>
Number of farmers subject to EFA requirements
Number of hectares of arable land declared by farmers subject to EFA
Number of hectares declared by farmers as EFA, broken down by EFA type
<b>Equivalence</b>
Number of farmers applying equivalent measures (certification schemes or agri-environment-climate measures)
Number of hectares declared by farmers implementing equivalent measures (certification schemes or agri-environment-climate measures)
<b>Payment for young farmers</b>
Number of farmers
Number of hectares
<b>Small farmers' scheme</b>
Number of farmers
Number of hectares
<b>Voluntary coupled support</b>
Number of beneficiaries of voluntary coupled support (broken down by sector)
Quantities eligible (number of hectares/ number of animals broken down by sector)
Number of hectares
Number of animals
<b>Payment for areas with natural constraints</b>
Number of farmers
Number of hectares
<b>National programmes for the cotton sector</b>
Number of farmers
Number of hectares

<b>Market measures<sup>99</sup></b>
<b>Public intervention</b>
Volume
Duration
<b>Private storage</b>
Volume
Duration
<b>Export refunds</b>
Volume of products exported with export refunds
<b>Exceptional measure</b>
[as appropriate]
<b>Producer organisations</b>
% of production marketed by producer organisations and associations of producer organisations
<b>School schemes</b>
Number of final beneficiaries of school milk scheme
Number of final beneficiaries of school fruit scheme
<b>Vine sector</b>
Number of hectares of new vine plantings
Number of hectares of restructured vineyards
Number of promotion projects in the wine sector
Number of projects of investment and innovation measures

<b>Horizontal aspects<sup>100</sup></b>
<b>Cross compliance</b>
Number of hectares subject to cross-compliance
Share of CAP payments subject to cross-compliance
<b>Quality policy</b>
Geographical indications in the wine sector
Number of new protected designations of origin, protected geographical indication and traditional speciality guaranteed by sector
<b>Organic farming</b>
Number of hectares (total and under conversion)
Number of certified registered organic operators
<b>Promotion policy</b>
Number of programmes (in and outside the EU)
Number of new proposing organisations
<b>Farm Advisory system</b>
Number of farmers advised

## Rural development<sup>101</sup>

## Measure codes (Articles of Regulation (EU) No

<sup>99</sup> Commission Implementing Regulation (EU) No 834/2014 of 22 July 2014 laying down rules for the application of the common monitoring and evaluation framework of the common agricultural policy, OJ L 230, 1.8.2014, p. 177

<sup>100</sup> Commission Implementing Regulation (EU) No 834/2014 of 22 July 2014 laying down rules for the application of the common monitoring and evaluation framework of the common agricultural policy, OJ L 230, 1.8.2014, p. 1-7

	1305/2013 or Regulation (EU) No 1303/2013)
Total public expenditure <sup>102</sup>	All measures
Total investment	4 (Article 17), 5 (Article 18), 6.4 (Article 19), 7.2 to 7.8 (Article 20), 8.5 and 8.6 (Article 21) (Regulation (EU) No 1305/2013)
Number of actions/operations supported	1 (Article 14), 2 (Article 15), 4 (Article 17), 7 (Article 20), 8.5 and 8.6 (Article 21), 9 (Article 27), 17.2 and 17.3 (Article 36) (Regulation (EU) No 1305/2013)
Number of holdings/beneficiaries supported	3 (Article 16), 4.1 (Article 17), 5 (Article 18), 6 (Article 19), 8.1 to 8.4 (Article 21), 11 (Article 29), 12 (Article 30), 13 (Article 31), 14 (Article 33), 17.1 (Article 36) (Regulation (EU) No 1305/2013)
Total area (ha)	4 (Article 17), 8.1 to 8.5 (Article 21), 10 (Article 28), 11 (Article 29), 12 (Article 30), 13 (Article 31), 15 (Article 34) (Regulation (EU) No 1305/2013)
Physical area supported (ha)	10 (Article 28) (Regulation (EU) No 1305/2013)
Number of contracts supported	10 (Article 28), 15 (Article 34) (Regulation (EU) No 1305/2013)
Number of Livestock Units supported (LU)	14 (Article 33), 4 (Article 17) (Regulation (EU) No 1305/2013)
Number holdings participating in supported schemes	9 (Article 27), 16.4 (Article 35), 17.2 and 17.3 (Article 36) (Regulation (EU) No 1305/2013)
Number of farmer benefiting from pay-outs	17.2 and 17.3 (Article 36) (Regulation (EU) No 1305/2013)
Number of training days given	1 (Article 14 of Regulation (EU) No 1305/2013)
Number of participants in training	1 (Article 14 of Regulation (EU) No 1305/2013)
Number of beneficiaries advised	2 (Article 15 of Regulation (EU) No 1305/2013)
Number of advisor trained	2 (Article 15 of Regulation (EU) No 1305/2013)
Population benefiting of improved services/infrastructures (IT or others)	7 (Article 20 of Regulation (EU) No 1305/2013)
Number of EIP groups supported, number of EIP operations supported and number and type of partners in EIP groups	16 (Article 35 of Regulation (EU) No 1305/2013)
Number of cooperation operations supported (other than EIP)	16 (Article 35 of Regulation (EU) No 1305/2013)
Population covered by LAG	19 (Article 32 of Regulation (EU) No 1303/2013)
Number of LAGs selected	19 (Article 32 of Regulation (EU) No 1303/2013)
Number of LEADER projects supported	19 (Article 35(1)(b) of Regulation (EU) No

<sup>101</sup> Commission Implementing Regulation (EU) No 808/2014 of 17 July 2014 laying down rules for the application of Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) - Annex IV, OJ L 227, 31.7.2014, p. 18-68

<sup>102</sup> This indicator corresponds to the Performance Framework indicator established in Article 5(2) of Commission Implementing Regulation (EU) No 215/2014 of 7 March 2014 laying down rules for implementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund with regard to methodologies for climate change support, the determination of milestones and targets in the performance framework and the nomenclature of categories of intervention for the European Structural and Investment Funds (OJ L 69, 8.3.2014, p. 65).

	1303/2013)
Number of cooperation project supported	19 (Article 35(1)(c) of Regulation (EU) No 1303/2013)
Number and type of project promoters	19 (Article 35(1)(b) of Regulation (EU) No 1303/2013)
Unique identification number of LAG involved in cooperation project	19 (Article 35(1)(c) of Regulation (EU) No 1303/2013)
Number of thematic and analytical exchanges set up with the support of NRN	Networking (Article 54 of Regulation (EU) No 1305/2013)
Number of NRN communication tools	Networking (Article 54 of Regulation (EU) No 1305/2013)
Number of ENRD activities in which the NRN has participated	Networking (Article 54 of Regulation (EU) No 1305/2013)

### COMMON CONTEXT INDICATORS<sup>103</sup>

#### Socio-economic indicators

Population

Age structure

Territory

Population density

Employment rate (\*)

Self-employment rate

Unemployment rate

GDP per capita (\*)

Poverty rate (\*)

Structure of the economy

Structure of the employment

Labour productivity by economic sector

#### Sectorial indicators

Employment by economic activity

Labour productivity in agriculture

Labour productivity in forestry

Labour productivity in the food industry

Agricultural holdings (farms)

Agricultural area

Agricultural area under organic farming

Irrigated land

Livestock units

Farm labour force

Age structure of farm managers

Agricultural training of farm managers

Agricultural factor income (\*)

Agricultural entrepreneurial income (\*)

<sup>103</sup> Commission Implementing Regulation (EU) No 808/2014 of 17 July 2014 laying down rules for the application of Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) - Annex IV, OJ L 227, 31.7.2014, p. 18-68

Total factor productivity in agriculture (*)
Gross fixed capital formation in agriculture
Forest and other wooded land (FOWL)
Tourism infrastructure
<b>Environment indicators</b>
Land cover
Less favoured areas
Farming intensity
Natura 2000 areas
Farmland birds index (FBI) (*)
Conservation status of agricultural habitats (grassland)
HNV (high nature value) farming (*)
Protected forest
Water abstraction in agriculture (*)
Water quality (*)
Soil organic matter in arable land (*)
Soil erosion by water (*)
Production of renewable energy from agriculture and forestry
Energy use in agriculture, forestry and food industry
Emissions from agriculture (*)

(\*)Context indicators which incorporate CAP impact indicators



## ANNEX 5. Abbreviations

<b>Abbreviation</b>	<b>Full text</b>
<b>A</b>	
AAR	Annual Activity Report
ABB	Activity-Based Budgeting
AMIS	Agricultural Market Information System
ARES	Advanced Records System
AT	Austria
AWBM	Activity Without Budgetary Measure
<b>B</b>	
BE	Belgium
BG	Bulgaria
BiH	Bosnia-Herzegovina
<b>C</b>	
CAP	Common Agricultural Policy
CB	Certification Body
CETA	EU-Canada Free Trade Agreement
CNDPs	Complementary National Direct Payments
COAM	Common Organisation of Agricultural Markets
COMAGRI	Committee on Agriculture and Rural Development in the European Parliament
CWP	Commission Work Programme
CY	Cyprus
CZ	Czech Republic
<b>D</b>	
DDA	Doha Development Agenda
DE	Germany
DG	Directorate-General
DG AGRI	Directorate-General for Agriculture and rural development
DG DEVCO	Directorate-General for Development and cooperation – EuropeAid
DG ECFIN	Directorate-General for Economic and Financial Affairs
DG ELARG	Directorate-General for Enlargement
DG EMPL	Directorate-General for Employment, Social Affairs and Inclusion
DG ENTR	Directorate-General for Enterprise and Industry
DG ESTAT	Eurostat
DG JUST	Directorate-General for Justice
DG REGIO	Directorate-General for Regional and Urban Policy
DG SANCO	Directorate-General for Health and Consumers
DG TRADE	Directorate-General for Trade
DK	Denmark
<b>E</b>	
EAFRD	European Agricultural Fund for Rural Development
EAGF	European Agricultural Guarantee Fund
ECA	European Court of Auditors
EE	Estonia
EFA	Environmental Focus Area
EIP	European Innovation Partnership
EL	Greece
ENRD	European Network for Rural Development
EP	European Parliament

<b>Abbreviation</b>	<b>Full text</b>
ES	Spain
ESIF	European Structural and Investment Funds
EU	European Union
EUR	Euro
<b>F</b>	
FADN	Farm Accountancy Data Network
FAO	Food and Agriculture Organization of the United Nations
FI	Finland
FTA	Free Trade Agreement
FR	France
FVO	Food and Veterinary Office
fYRoM	Former Yugoslav Republic of Macedonia
<b>G</b>	
GAEC	Good Agricultural and Environmental Conditions
GI	Geographical Indications
GR	Greece
GVA	Gross Value Added
<b>H</b>	
HNV	High Nature Value
HR	Croatia
HR	Human Resources
HU	Hungary
<b>I</b>	
IACS	Integrated Administration and Control System
IAC	Internal Audit Capability
IAS	Internal Audit Service
ICT	Information and Communication Technology
IE	Ireland
IPA	Instrument for Pre-accession Assistance
IPARD	Instrument for Pre-Accession Assistance Rural Development
IT	Italy
IT	Information Technology
<b>J</b>	
JRC	Joint Research Centre
<b>L</b>	
LAG	Local Action Group
LEADER	Liaison Entre Actions de Développement de l'Économie Rurale
LPIS	Land Parcel Identification System
LT	Lithuania
LU	Luxemburg
LV	Latvia
<b>M</b>	
MAFA	Multi Annual Financing Agreement (SAPARD)
ME	Montenegro
MEP	Member of the European Parliament
MFA	Multi Annual Financing Agreement (IPARD)
MFF	Multi-annual Financial Framework
MS	Member State
MT	Malta
<b>N</b>	

<b>Abbreviation</b>	<b>Full text</b>
NAO	National Authorizing Officer
NIPAC	National 'Instrument for Pre-accession Assistance' Coordinator
NL	Netherlands
NRN	National Rural Networks
<b>O</b>	
OJ	Official Journal
OLAF	Office de Lutte Antifraude
<b>P</b>	
PA	Paying Agency
PDO	Protected Designations of Origin
PGI	Protected Geographical Indications
PL	Poland
PMO	Office for Administration and Payment of Individual Entitlements
POSEI	Programme d'Options Spécifiques à l'Éloignement et l'Insularité
PPS	Purchase Power Standards
PT	Portugal
<b>R</b>	
RD	Rural Development
RDP	Rural Development Programme
RO	Romania
<b>S</b>	
SAPARD	Special Accession Programme for Agriculture and Rural Development
SAPS	Single Area Payment Scheme
SE	Sweden
SI	Slovenia
SK	Slovakia
SPS	Single Payment Scheme
SR	Special Report
<b>T</b>	
TFEU	Treaty on the Functioning of the European Union
ToR	Terms of Reference
TR	Turkey
TSG	Traditional Specialities Guaranteed
<b>U</b>	
UK	United Kingdom
<b>W</b>	
WTO	World Trade Organization