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**DIRECTORATE GENERAL FOR AGRICULTURE
AND RURAL DEVELOPMENT**

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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 its rural areas.

2. This year's personal message by the Director-General

The DG AGRI has an important role to play in the implementation of the "Europe 2020" strategy for smart, sustainable and inclusive growth. We will have a full agenda in the year to come.

In 2012, the DG AGRI will continue working on the follow-up of the **legislative package on the Common Agricultural Policy ("CAP") post 2013**, adopted by the College last October. This is the first time the ordinary legislative procedure is applied to a reform of the CAP. The reform is due to enter into force in 2014. The CAP faces the same challenges as those identified in the "Europe 2020" strategy, resulting from budgetary constraints and from the need to respond to the economic crisis and climate change. The overall objectives of the CAP are to maintain the production base for food, feed and renewable energy across the whole European Union ("EU"), to provide environmental public goods and services, to ensure a sustainable management of natural resources, and to contribute to the viability of rural areas and to a balanced territorial development in the EU.

In addition to the negotiation of the CAP reform, the DG AGRI will work hard on other important initiatives in 2012. As to the first pillar, I would like to mention in particular the Communication and the Legislative proposal on **Promotion and information policy for agricultural products**. A new promotion and information policy focused on EU added value is needed in order to respond adequately to the current needs of agricultural and food markets. The Communication should set out strategic orientations for a comprehensive agricultural promotion and information policy. As to the Legislative proposal, it will recast the legislation on promotion and information and will propose measures designed to address the needs of the different agricultural markets. Another key initiative will be a report on the **smooth phasing out of the milk quota system**.

In the area of rural development, besides our core business which is the implementation of the rural development programmes, the DG AGRI will prepare several important initiatives. I want to highlight the Communication on the preparation of a **new EU Forestry Strategy**. The aim of this initiative is to reshuffle the current strategy to enhance and improve sustainable forest management taking into account in particular climate change and EU policy on renewable energy. In addition, my services will present a Strategic implementation plan for the **European Innovation Partnership "Agricultural productivity and sustainability"**, which aims to promote a resource-efficient, productive and low-emission agricultural sector in harmony with natural resources that delivers a safe and steady supply of food, feed and biomaterials. Work on the quality package will continue and finally, we will analyse possibilities and needs for the improvement of the organic farming regulation, on which revision proposals may be tabled in 2013.

In the area of **international affairs**, the DG AGRI will continue participating and negotiating in various international fora and will maintain bilateral relations and negotiations with third countries, regions or important regional groupings in order to preserve the European model of agriculture and contribute to sustainable economic development.

Last, but not least, the DG AGRI will launch initiatives on simplification and the reduction of administrative burden as well as further screen for obsolete legislation in the framework of the **Simplification Rolling Programme**.

Finally, I would like to take the opportunity to thank all the DG AGRI staff for their great commitment and professionalism. I look forward to working together in 2012.

[signed]

José Manuel SILVA RODRÍGUEZ,

Director-General

3. General Objectives by policy area

The Commission has set out its strategy¹ – "Europe 2020" – with three priorities:

- Smart growth: an economy based on knowledge and innovation
- Sustainable growth: a resource efficient, greener and more competitive economy
- Inclusive growth: a high-employment economy delivering social and territorial cohesion

"Europe 2020" also points out the need to discuss how the "CAP" can best contribute to these priorities. This will remain in 2012 one of the main priorities of the DG AGRI, notably in respect of the "new" CAP post 2013. The legal proposals adopted by the Commission on 12 October 2011 are now in the stage of the negotiation with the European Parliament and the Council. They include also a monitoring and evaluation system for the whole CAP.

The strategic importance of the CAP is apparent considering the role that agriculture and rural areas play in the European economy and society². Rural and intermediate areas³ represent around 91 % of EU territory, are inhabited by nearly 59 % of the population. More than half of total employment is located in rural areas in EU-27. The primary sector, i.e. agriculture, hunting and fishing, is naturally concentrated in rural areas and still accounts for 5.5 % of total employment or 12.4 million persons in EU-27. Its production is a key input to the food industry which accounts for an additional 4.7 million jobs.

Income per person is, on average, however significantly lower in rural areas than in urban areas and the unemployment rate is on average higher. However, income per capita and unemployment rates show strong differences in the various rural areas of the EU. The share of primary sector varies between 1.5 % and 30 % of total employment in different countries of the EU.

The importance of the primary sector is apparent when considering environmental issues. Around 80 % of land in EU-27 is covered by either agriculture or forestry. Links between these activities and natural resources such as biodiversity, water and soil as well as climate change are well acknowledged.

Food security is increasingly a priority and the CAP should help to ensure this. Surveys also show that citizens expect the CAP to ensure safe and healthy food of high quality and at reasonable prices. Households on average spend around 13 % of their income on food and non-alcoholic beverages but once again with big variations between Member States. In Luxembourg, households spend only slightly more than 9 % of their income on food whereas households in some other countries spend up to 30 %.

¹ COM(2010) 2020 adopted by the Commission on 3 March 2010.

² Statistics on rural areas presented below are based on *Rural Development in the EU – Statistical and Economic Information Report 2011 (to be published in December 2011)*. Statistics on consumers' consumption and expectations are based on *Eurostat Statistics in focus: From farm to fork, a statistical journey along the EU's food chain (June 2011)* and the latest Eurobarometer survey of people's attitudes to the CAP (November/December 2009) available on http://ec.europa.eu/public_opinion/archives/eb_special_en.htm

³ For more information about the typology refer to http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-HA-10-001-15/EN/KS-HA-10-001-15-EN.PDF

The adaptation of the CAP by integrating the EU priorities is of particular importance for the DG AGRI. These priorities are therefore reflected in the three general objectives for the work of the DG:

1. Promoting a viable and competitive agricultural sector which respects high environmental and production standards, ensuring at the same time a fair standard of living for the agricultural community;
2. Contributing to sustainable development of rural areas, in particular through helping the agricultural sector to adapt to new challenges, protecting the environment and the countryside, especially in view of climate change, and improving the quality of life in rural areas, whilst ensuring growth and jobs in the countryside;
3. Promoting the European agricultural sector in world trade.

In addition, the 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 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, food safety and external policies (enlargement, trade and development).

The Commission has recently approved a Communication and adopted four legislative proposals, in the context of the "Horizon 2020" Framework Programme which brings together all EU research and innovation funding for the period 2014-2020, targeting notably Societal Challenges amongst which the one focusing on "Food security, sustainable agriculture, marine and maritime research and the bio-economy". For this societal Challenge, the DG AGRI will lead as far as applied aspects of research and innovation working in particular close to farmers, in the field of sustainable agriculture and forestry; sustainable and competitive agri-food sector for a safe and healthy diet and sustainable and competitive bio-based industries. In 2012, the DG AGRI will prepare the grounds for implementation of the programme.

Ad 1. Promoting a viable and competitive agricultural sector which respects high environmental and production standards, ensuring at the same time a fair standard of living for the agricultural community.

Successive CAP reforms from the 1990s, and in particular the various reforms since 2003, represent a major step forward in terms of improved competitiveness and sustainable development of farming activity in the EU.

With the progressive shift from price support to direct aids which are decoupled from production, farmers are encouraged to respond to market signals rather than to quantity-related policy incentives. Although still an essential part of the CAP, interventions on agricultural markets (export refunds, intervention etc.) have become less significant in budgetary terms, as more expenditure is redirected to rural development and direct aid payments to farmers.

Decoupled direct aid payments stabilise farm incomes and, thus, contribute to the economic viability of farms. Market measures and risk management tools provide a safety net that helps farmers to survive during times of market crises or extreme weather events. In addition, the obligation to keep land in good agricultural and environmental conditions and the inclusion of environment, food safety, animal health and welfare standards ("cross-compliance") plays an important role in maintaining a sustainable farming sector and meeting consumers' expectations.

On 12 October 2011, the Commission adopted a set of legal proposals for the CAP post-2013 which – in line with the "Europe 2020" strategy – ensures that agriculture also in the future will contribute to the fight against climate change, support employment and growth, promote innovation and enhance both the economic and ecological competitiveness of agriculture. Key points include inter alia better targeting of income support, greening of direct payments, improved instruments to address market developments and a new framework for rural development. The Commission is also proposing certain elements of simplification, with the aim to facilitate the administration of the CAP and to reduce red tape for farmers where appropriate. This reform is the first to be co-decided by the European Parliament and the Council after the entry into force of the Lisbon Treaty. The legislative authority has started to examine the proposals and will continue deliberations and negotiations in 2012 with the European Parliament and the Council.

Ad 2. Contributing to sustainable development of rural areas, in particular through helping the agricultural sector to adapt to new challenges, protecting the environment and the countryside, especially in view of climate change, and improving the quality of life in rural areas.

Rural development programmes make a vital contribution to the economic, social and environmental well-being of rural areas, and the sustainability of the rural environment. Rural development helps to promote the competitiveness of the agricultural and food processing sectors, and in general to ensure inclusive and sustainable growth in rural areas.

Local initiatives such as Leader, initiatives under the European Innovation Partnership for agriculture, and support for diversification play an essential role to deliver on the "Europe 2020" objectives as they encourage innovation and entrepreneurship and promote inclusiveness. The provision of environmental and local services, rural amenities and associated tourism can be a major source of income and employment potential in rural areas. Better employment prospects can also improve the situation of women in rural areas in the context of promotion of equal opportunities.

Agriculture is highly exposed to climate change, as farming activities directly depend on climatic conditions. However, agriculture can also help to provide solutions to the overall climate change problem.

The Rural Development policy already contributes to the strategic objectives and overall headline targets of "Europe 2020" through the implementation of rural development programmes. The proposal for the future CAP post-2013, including the proposed legal framework for the EAFRD of 12 October 2011 will strengthen and target the funds to the accomplishment of both these overall "Europe 2020" and CAP specific objectives.

Following the adoption by the Commission of the legal proposal for the future CAP post-2013 on 12 October 2011, including the proposal for the EAFRD regulation, activities during 2012 will focus on the negotiations with the other EU institutions with the aim of adoption of the legal framework in 2013 in coordination with the other funds under the CSF. In addition, analytical and preparatory work has to be carried out in 2012 in order to ensure that the necessary legal acts following the basic act will be in place in time.

Ad 3. Promoting the European agricultural sector in world trade.

With a view to increasing prosperity, maintaining a sustainable agricultural economy in Europe, and reinforcing Europe's place in the world, the DG AGRI is actively engaged in improving market access for EU agricultural products in third countries through the reduction of tariffs and the elimination of other barriers. Our international agenda also aims at the development of international trade rules that are aligned with our domestic policies and regulatory approach, and best serve the interests of European agriculture.

In 2012, the DG AGRI's efforts will be focused on (i) negotiating a balanced outcome of the DDA, recognising of course that progress depends in large part on the positions taken by our partners in these negotiations; (ii) engaging in an increasing number of bilateral trade negotiations aiming at further trade liberalization with key partners such as Canada, Mercosur, India, some ASEAN countries such as Malaysia and Singapore, and possibly Japan, while formally concluding with Ukraine; (iii) improving the protection of geographical indications in order to enhance trade opportunities via the negotiation of a GI agreement with China and through different FTA negotiations; (iv) ensuring the proper implementation of wine agreements, in particular with Australia, Canada and the US; (v) continuing with European Neighbours the process of agricultural trade liberalisation and their approximation to the *acquis*; (vi) continuing the follow up of the Council Conclusions as regards Policy Coherence for Development (PCD), in particular as regards the impact of the CAP on developing countries as per the PCD Work Programme 2010-2013, as well as contributing to the G20 policy framework and instruments on global food security; and (vii) coordinating the enlargement process in agriculture, including accession negotiations with candidate countries.

Ad a. Managing the Union Budget in accordance with high standards of financial management.

The DG AGRI is committed to high standards of financial management. An ongoing objective is to further streamline procedures and processes of planning, follow-up and control of expenditures and to continue to enhance a culture within which financial management and transparency are integral parts of policy management. The DG is committed to the continuous improvement of the internal control environment, including follow-up of audit recommendations made by the Court of Auditors, the Internal Audit Service and the Internal Audit Capability. The good results in this field are confirmed through the residual error rate for EAGF and EAFRD expenditure as a whole which, based on statistical information provided by Member States, is below the materiality threshold of 2 %. The DG will continue its efforts to achieve an overall residual error rate below this threshold.

Rural development expenditure is still affected by a higher incidence of error, although the error rate has decreased in recent years due to constant improvements in supervisory and control systems. The data currently available suggest that any further reduction of errors could only have been achieved by increasing the level of on-the-spot checks, which would not be cost effective.

The European Parliament and the Council are continuing their discussions on the Commission's proposals for a new Financial Regulation (COM(2010)260). An agreement on the Commission proposals should help make project implementation more user-friendly and administratively less burdensome, while ensuring a strict and adequate monitoring and control of tax payers' money by the Commission.

In 2012, the issue of budget delivery will also be part of the debate on the CAP after 2013. Preparations of implementing legislation will take into account the objective to maximize the added value of the European Union budget and optimize the effectiveness, efficiency, economy and accountability of budget delivery.

The DG AGRI is also committed to using the available staff and other resources efficiently.

Ad b. Implementing policy in an effective manner, in line with Treaty and international obligations and the need to simplify legislation.

Another major part of the work of the DG AGRI consists of the implementation of decisions and regulations already in place, primarily by the Directorates responsible for the markets, for rural development and for international affairs. It is important to ensure that measures taken are consistent with the EU's international obligations. The same is true of the important horizontal functions within the DG such as legal matters, budget, financial management, control/audit, transparency, relations with the other Institutions and information policy.

With the entry into force of the Treaty of Lisbon, all existing agricultural legislation must be aligned to the new legal bases. Most of the aligned legal proposals have been adopted by the Commission in 2010 and are being discussed by the European Parliament and the Council. The legislative authority may reach agreement on some alignment proposals in 2011, but the alignment process will continue in 2012.

Far-reaching reforms of the CAP and the accession of 12 Member States have taken place in recent years. It is important to continue to consolidate these changes and ensure proper implementation over the coming years. The DG AGRI is continuing to contribute actively to the negotiation process with other candidate and potential candidate countries, to the extent that these are pursued by the Union.

The DG AGRI will continue to give priority to the provision of high quality analysis and evaluation as a basis for policy development.

Simplification of the CAP is also one of the top priorities. The DG AGRI cooperates with Member States' simplification experts, meeting regularly in the framework of an experts group, and also consults an advisory group of stakeholders with representatives of producers, processors, traders, environment, labour etc. Evaluations of administrative burden for beneficiaries of the CAP have been carried out, and furthermore, an ad hoc expert group was established in 2011 and provided valuable input to the preparation of the legislative proposals for the CAP post-2013. Simplification efforts will continue in 2012.

Ad c. Contributing to other Union policies, in the fields of cohesion, competitiveness, employment, research, environment, food safety and external policies (enlargement, trade and development).

Both pillars of the CAP make significant contributions to other Union objectives. The introduction of cross-compliance in the 2003 CAP reform helped to reinforce the efforts of other Directorates General responsible for the implementation and control of Union legislation in the fields of environment, animal welfare and food safety. This will continue in the reform of the CAP after 2013.

Rural development makes a significant contribution to competitiveness, cohesion, environmental land management as well as the quality of life and economic diversification in rural areas; thereby contributing to achievement of sustainable growth and employment. The future European Innovation Partnership on agricultural productivity and sustainability will contribute to the "Europe 2020" flagship initiative "Innovation Union" by better linking agricultural research and farming, thereby helping to shape an agricultural sector that produces more with less.

The DG AGRI will continue to devote resources to development of the EU's trade agenda where agriculture plays an important role, for example in the Doha Round and in Free Trade Agreements. Also, it will continue to work on the conclusion of Economic Partnership Agreements, G20 actions on food security, and the preparation of candidate and potential candidate countries for accession, in support of the Union's development and enlargement policies.

Table 1.1. Impact indicator concerning the general objective to promote a viable and competitive agricultural sector

GENERAL OBJECTIVE	Impact indicator				
	Indicator	Target	Milestones (if any)	Current situation	
To promote a viable and competitive agricultural sector which respects high environmental and production standards, ensuring at the same time a fair standard of living for the agricultural community	Farmers' income developments	Keeping the ratio to other economic sectors		Farm income developments ⁴ : 2010: +12.6 % 2009: -11.6 % 2008: -2.2 % 2007: +10.7 % 2006: +4.2 %	Labour cost index, industry and services (excl. public administration) ⁵ : 2010: +1.8 % 2009: +3.1 % 2008: +4.2 % 2007: +3.7 % 2006: +3.0 %

⁴ Change in agricultural income, measured as real net value added per annual work unit, compared to previous year.

⁵ EUROSTAT data.

Table 1.2. Impact indicators concerning the general objective to contribute to sustainable development of rural areas

GENERAL OBJECTIVE	Impact indicators			
	Indicator	Target ⁶	Milestones	Current situation
<p>To contribute to sustainable development of rural areas, in particular through:</p> <ul style="list-style-type: none"> • Improving the capacity of the agricultural sector to meet new challenges • Contributing to preserving the environment and the countryside • Improving the quality of life in rural areas • Helping EU agriculture, forestry and rural areas to contribute to climate change mitigation and to adapt to its possible consequences 	Increase in Gross Value Added (GVA) in supported holdings	Increase 2007-2013: € 25.9 billion		Total GVA in primary sector: € 180 billion ⁷ Share of the target realised by 2010 ⁸ : 14% ⁹
	Maintenance of high nature value areas (changes in High Nature Value (HNV) areas)	Increase 2007-2013: 3 620 000 ha		Utilised agricultural area of HNV: 74.700.000 ha ¹⁰ Share of the target realised by 2010: 47% ¹¹
	Increase in production of renewable energy	Increase 2007-2013: 12 300 ktoe		7 941 ktoe from agriculture ¹² 68 218 ktoe from forestry ¹³ Share of the target realised by 2010: 18.3% ¹⁴
	Employment creation (net additional full time equivalent jobs created) ¹⁵	Jobs created 2007-2013: 344 000		Employed people in primary sector: 13 million ¹⁶ Share of the target realised by 2010: 27.4 % ¹⁷
	Share of greenhouse gas emissions from agriculture	Reduce		9 % (current situation) 11 % (1990)

⁶ Some targets have been updated by the MS through RDP modifications. Source: Mid term evaluation 2010.

⁷ Baseline from Eurostat national accounts 2006. Situation in 2010: 185 billion.

⁸ Aggregation based on the Annual Progress Report 2010 submitted by the MS in July 2011.

⁹ The GVA indicator can be subject to strong annual variations due to external factors. In particular, the financial and economical crisis encountered since 2008 has affected this indicator (some MS have reported negative GVA changes).

¹⁰ Baseline from the JRC HNV study 2008.

¹¹ Data based on the Mid-term Evaluations 2010 submitted by the MS by the end of 2010. It reflects only the situation in the 6 RDPs which submitted quantified data.

¹² Baseline from Eurostat energy statistics 2007.

¹³ Baseline from EurObserver (primary sources: EBB & EBIO) 2007.

¹⁴ Data based on the Mid-term Evaluations 2010 submitted by the MS by the end of 2010. It reflects only the situation in the 9 RDPs which submitted quantified data.

¹⁵ This indicator refers to the net additional full time equivalent jobs created directly in supported projects and indirectly in the programme area that can be attributed to the intervention.

¹⁶ Baseline from Eurostat National accounts 2006. Situation in 2010: 12.4 million.

¹⁷ Data based on the Mid-term Evaluations 2010 submitted by the MS by the end of 2010. It reflects only the situation in the 27 RDPs which submitted quantified data.

Table 1.3. Impact indicators concerning the general objective to promote European agriculture in world trade

GENERAL OBJECTIVE	Impact indicators			
	Indicator	Target	Milestones (if any)	Current situation
To promote the European agricultural sector in the world trade	Value of trade flows in agricultural products between the EU and the rest of the world	To increase		Export (mln. euro) 2010: 90,751 2009: 74,578 2008: 81,214 2000: 55,232
	EU-27 Unit value of exported products	To increase		Unit Value (in €/t) 2010: 1,117 2009: 1,074 2008: 1,167 2007: 1,233 2006: 992 2005: 944 2004: 1,068 2003: 897 2002: 943 2001: 941 2000: 793 1999: 682
	Proportion of subsidised exports in percentage of total export	Lower than current situation		2010 (EU-27): 0.4 % 2009 (EU-27): 0.9 % 2008 (EU-27): 1.2 % 2007 (EU-27): 1.9 % 2006 (EU-25): 3.4 % 2004 (EU-15): 5.4 %

4. Specific objectives for operational activities

ABB 02 - Interventions on the agricultural markets

Justification of the activity at EU level

In order to ensure the proper functioning of the single market, notably for agricultural products, common rules have been implemented. The reasons include: to avoid distortion of competition; to reduce transaction costs, to increase market transparency and to contribute to a fair distribution of the value added between the different components of the industry. When some kind of action by public authorities is required in order to stabilize the market, either as a safety net for producers or in order to achieve reasonable prices for consumers, there is a strong European value added compared with unilateral national schemes.

This is why agriculture was defined in the Treaty as a common policy to be organised at EU level. A common EU agricultural policy ensures common rules in a single market and safeguards the progress made in recent reforms towards increased competitiveness of European agriculture.

Description of the activity

Agricultural products are covered by a single Common Market Organisation (sCMO), which consist of the rules to regulate production of and trade in agricultural products in all Member States of the EU. The single CMO includes measures required to meet the objectives of the CAP set out in Article 39 of the Treaty on the functioning of the European Union (TFEU), in particular price stabilisation through supply management, private/public storage arrangements, trade mechanisms (e.g. import tariffs, export refunds) and production aid for some agricultural products. The core activity consists of implementing, managing and, when appropriate, adapting the single CMO Council Regulation, contributing to the transparent implementation of market intervention measures, harmonising and simplifying the provisions governing those measures as well as the promotion measures for agricultural products on the internal and external markets. This involves around 830 (2010) regulatory measures per year.

The introduction of the single CMO required a review of existing legislation, introducing horizontal rules where appropriate in line with the single CMO approach. The main market instruments of the single CMO are:

- Import duties and quotas, preferential tariffs;
- Export refunds;
- Intervention in the form of public storage and the subsequent resale of stocks, as well as private storage;
- Supply management arrangements (quotas, planting limitations, grubbing up);
- School milk and school fruit programmes;
- Various tools of market management such as marketing standards, incentives for the development of producer organisations (fruit and vegetable sector, milk sector), the disposal of products on the internal market or for further processing, national support programmes in the wine sector, support of promotion campaigns.

As a result of successive reforms, the CAP has become more market oriented and support to farmers' incomes is now mainly in the form of direct aids. Although interventions in agricultural markets have become less significant in budgetary terms they are still an essential part of the CAP. In the context of a more market oriented agricultural sector, there is

a continuous and clear need for monitoring, market analysis and dissemination (including forecasting) in order to support appropriate action and anticipate developments in supply, demand and price. New requirements are also emerging in the areas of information and communication on market policies.

The promotion policy mission is to support the European agricultural sector by promoting EU agricultural products on the internal market and in third countries through organising and co-financing, together with the Member States and their professional organisations, promotion actions, information campaigns and trade missions. It gives priority to programmes put forward by more than one Member State or involving measures implemented in more than one target country as well as to multi-product programmes. Programme proposals must describe the benefits which will be derived from the programme at the European Union level and therefore justify part-financing by the EU. The Commission services work to ensure complementarity between the programmes funded by the Member States, private sector programmes and programmes part-financed by the EU in order to increase synergies between the various programmes and to ensure that they reinforce each other. Furthermore, high level missions are conducted to the important emerging markets in order to facilitate market penetration. Last but not least, an important effort to improve the information and promotion regime is ongoing, including public opinion and stakeholders' consultation. Legislative proposals are foreseen by the end of 2012.

The objectives of the CAP include stabilising the markets and ensure that supplies reach consumers at reasonable prices. The scheme for the distribution of food to the most deprived persons of the Union helps to achieve both objectives and, by reducing food insecurity of the needy, has proven to be an essential tool, contributing to guarantee the broad availability of food within the European Union while disposing of intervention stocks.

Under the TFEU the agricultural policy falls under the ordinary legislative procedure involving both the European Parliament and the Council, while the Commission's competences are distinguished in delegated and implementing powers. The single CMO is under revision at legislator level as it had to be aligned with Articles 290 and 291 TFEU. The discussions (at informal trilogue level) are ongoing.

Based on the outcome of public and institutional consultation in 2010/11, the Commission submitted on 12 October 2011 its proposals on the reform of the CAP, including proposals on the single CMO and a Regulation on the fixing of aids under Article 43(3) TFEU Regulation. Discussion and negotiations on the CAP reform proposals will continue throughout 2012. The existing systems of public intervention and private storage aid are proven safety net mechanisms to help producers at times of market difficulties. However, they will be revised to be more responsive and more efficient. A new clause is introduced for all sectors to enable the Commission to take exceptional measures to respond to general market disturbances – such as the measures taken during the e-coli crisis in May-July 2011.

With milk quotas and wine planting rights already set to expire, the Commission is looking to end the last remaining quota regime – for sugar. The sugar quota system should expire on September 30, 2015. With most developing countries enjoying unlimited duty-free access to the EU market, but EU exports limited by WTO rules (as long as there are quotas), an end to quotas is the only option for providing the sector with a long-term perspective – especially in the context of the productivity improvements which are expected. For the period after quotas, white sugar will become eligible for private storage aid, and standard provisions for agreements between sugar factories and growers should be established.

The School Fruit Scheme and the School milk scheme are to be extended. The texts also reflect existing proposals from December 2010 on dairy (compulsory written contracts and strengthened bargaining power in the food chain) and on quality marketing standards – including the “place of farming” concept.

In order to improve farmers' positioning in the food chain, the Commission is looking for a better organisation of the sectors. Rules related to the recognition of Producer Organisations (POs) and inter-branch organisations are now expanded to cover all sectors – with further options for establishing such Producer Organisations now transferred to Rural Development funding. In the interests of simplification, a number of minor schemes are abolished (aid for incorporating Milk Powder into animal feed, coupled aid for silkworms).

Specific objectives and result indicators

SPECIFIC OBJECTIVE 1

To foster the competitiveness of the EU agriculture sector

This activity contributes to the general objective 1: "To promote a viable and competitive agricultural sector which respects high environmental and production standards, ensuring at the same time a fair standard of living for the agricultural community".

<i>Result indicators</i>	<i>Latest known result</i>						<i>Target</i>
Volume of public stocks in intervention by 31 st December		Cereals (Mt)	Alcohol (hl)	SMP and butter ¹⁸ (t)	Beef (t)	Sugar (t)	Keep intervention stocks as low as possible compatibly with market stabilisation. p.m.: no buying-in in 2011
	2011 (20 October)	0.163 ¹⁹	0 ²⁰	Butter: ²¹ 796 SMP: ²² 53 573	0	9	
	2010	4.53	62 104	Butter: 1 544 SMP: 194 806	0	9	
	2009	4.4	1 124 687	Butter: 76 352 SMP: 259 659	0	34 944	
	2008	0.015	2 131 949	0	0	317 853	
Number of agricultural products for which buying-in intervention has occurred	2010/11: 0 2009/10: 3 (cereals, butter and SMP) 2008/09: 3 (cereals, butter and SMP) 2007/08: 2 (alcohol and butter), meaning 3 products less than in 2006 where intervention also occurred for cereals, sugar and SMP 2006/07: 5 (as in 2005) 2005/06: 5 (as in 2004 and sugar)						Keep number of products as low as possible compatibly with market stabilisation. p.m.: - Intervention buying-in is capped at 0t for maize, durum wheat, and rice, and will be so for barley and sorghum as from 2010/11. - Sugar intervention disappears as from 2010/2011. - Buying-in into intervention of wine alcohol has been eliminated from 1.8.2008.

¹⁸ Skimmed Milk Powder.

¹⁹ Reserved entirely for the most deprived persons.

²⁰ Figure on the 1st October 2011 all sold by tender.

²¹ Reserved entirely for the most deprived persons.

²² Reserved entirely for the most deprived persons.

Number of agricultural sectors for which export subsidies have been applicable	2010/11: 3 sectors (beef, eggs and poultry, pigmeat) 2009/10: 4 sectors (beef, eggs and poultry, pigmeat, dairy products - dairy set at zero from November 2009) 2008/09: 4 sectors (beef, pigmeat, eggs and poultry, dairy products) 2007/08: 8 (as in 2006/07 but cereals, butter and butter oil, cheeses and other milk products set at zero) 2007: 10 sectors (the 2 sectors less than in 2006 were cereals and skimmed milk powder). As of June 2007, refunds in dairy sector were put at zero. 2006: 12 sectors	Number of sectors as low as possible. p.m.: - Export refunds for fruit and vegetables were abolished from 1.1.2008. - Export refunds for wine have been eliminated from 1.8.2008. - Sugar export refunds set at zero from 2008/09. - Refunds for milk and milk products set at zero from November 2009. - Conditional commitment by the Union to end all export refunds in 2013.									
Percentage of the production marketed by the producer organisations in fruit and veg. sector (EU 25, EU 27 since 2007)	2010: 42.2% ²³ 2009: 42.5 % 2008: 36.4 % 2007: 37.8 % 2006: 39.3 %	Upward trend from current levels									
Execution level and efficient use of the national support programmes (NSP) in the wine sector	<table border="1"> <thead> <tr> <th>NSP</th> <th>Execution level</th> <th>Efficient use</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>98,6 %</td> <td>Restructuring 40 % Investments 7.4 % Distillation 27.8 %</td> </tr> <tr> <td>2009</td> <td>94,1 %</td> <td>Restructuring 44 % Investments 2.5 % Distillation 37.5%</td> </tr> </tbody> </table>	NSP	Execution level	Efficient use	2010	98,6 %	Restructuring 40 % Investments 7.4 % Distillation 27.8 %	2009	94,1 %	Restructuring 44 % Investments 2.5 % Distillation 37.5%	Maintain execution level above 95 %
NSP	Execution level	Efficient use									
2010	98,6 %	Restructuring 40 % Investments 7.4 % Distillation 27.8 %									
2009	94,1 %	Restructuring 44 % Investments 2.5 % Distillation 37.5%									

Main outputs in 2012 (including policy outputs when relevant)

- Inter-institutional follow-up of reform proposals (adopted on 12.10.2011, Agenda Planning reference 2011/AGRI/001);
- Legal proposals presented throughout the year in function of prevailing circumstances and market developments;
- If appropriate, legislative proposals to deal with urgent situations or unexpected market developments (e.g. urgent measures for the fruit & vegetables sector (ECEH bacterium));
- COM proposal in EP/C procedure for approval of Alignment of Regulation (EC) N° 1234/2007 ("Single CMO Regulation") with the Lisbon Treaty (Agenda planning reference 2010/AGRI/029);
- Follow up of the responses to the recommendations of the High Level Experts Group for Milk (report delivered on June 15, 2010 amid the Council Presidency Conclusion of the 27.09.2010). Commission's legislative proposals for the milk package adopted on 9 December 2010 (Agenda Planning reference 2010/AGRI/026). Expected adoption by the EP and the Council in February 2012, publication April 2012;
- By December 2012, report on the evolution of the market situation and the consequent conditions for smoothly phasing out the milk quota system (Agenda planning reference 2012/AGRI/013). To be discussed in the EP and the Council during 2012;
- Interinstitutional follow-up of simplification of the Aromatised Wines Regulation (Agenda planning reference 2010/AGRI/004);
- Adoption of the proposal for a Directive of the EP and of the Council amending Council Directive 2001/112/EC on fruit juices (COM (2010)490).

N.B. Indicators "Area of wine surfaces being grubbed up", "Investment in wine sector" and "Restructuring in wine sector under the national support programmes (NSP)" have been replaced by an indicator "Execution level and efficient use of the national support programmes (NSP) in the wine sector" in order to better reflect the activity.

²³ Provisional data. The data for previous years were updated following a new methodology.

SPECIFIC OBJECTIVE 2

To ensure a smooth functioning of the internal market for agricultural products.

This activity contributes to the general objective 1: "To promote a viable and competitive agricultural sector which respects high environmental and production standards, ensuring at the same time a fair standard of living for the agricultural community".

<i>Result indicators</i>	<i>Latest known result²⁴</i>						<i>Target</i>
Volume of Intra EU trade		Wheat Mio t	Maize Mio t	Wine Mio HL	Butter 000 t	Pigmeat Mio t	Increasing over time
	2011 (August 31)	15.1	8.9	31.5	438	5.3	
	2010	28.7	14.1	43	785	6	
	2009	27.1	15.2	42.4	694	8.8	
	2008	22.6	12.5	48.6	666	8.2	
	2007	21.6	12.7	43.5	678	7.5	
Volatility of prices for key agricultural commodities in constant terms in the EU							As low as possible

²⁴ The data have been updated according to the new Eurostat figures.

Main outputs in 2012 (including policy outputs when relevant)

- Amendment of EU legislation to integrate and keep the results of international trade negotiations updated;
- Transparent gathering of market information and production and dissemination of regular market analysis;
- Examination of new PDO/PGI applications in the wine sector and of 1900 technical files on existing PDO/PGI,
- Ensuring the coherence of sCMO implementation for new and existing rules, both at horizontal and sectoral level;
- Report on the recovery of export refunds for live bovine animals for 2011 (AP reference 2012/AGRI/009);
- Follow up of the responses to the recommendations of the High Level Experts Group for Milk (report delivered on June 15, 2010 amid the Council Presidency Conclusion of the 27.09.2010). Commission's legislative proposals for the milk package adopted on 9 December 2010. (Agenda Planning reference 2010/AGRI/026). Expected adoption by the EP and the Council in February 2012, publication beginning April 2012;
- Organisation of the Joint meetings between members of the sCMO Committee and Advisory Group on milk with the aim to increase market transparency by exchange of information and views on the situation and perspectives in the dairy market;
- Follow-up of the modification of reg (EC) n°543/2008 laying down detailed rules for the application of Council regulation (EC) n°1234/2007 as regards the marketing standards for poultry meat);
- Study to prepare the impact assessment and implementing proposals on compulsory origin labelling on pigmeat, poultry meat and sheep meat.
- By December 2012, report on the evolution of the market situation and the consequent conditions for smoothly phasing out the milk quota system (Agenda planning reference 2012/AGRI/013);
- In the framework of the International Olive Council creation of a group to examine the opportunity of adaptation of the olive oil and table olive standard;
- Commission report to the European Parliament and the Council on the experiences gained with the implementation of the 2008 Wine Reform (Agenda Planning reference 2012/AGRI/008).

SPECIFIC OBJECTIVE 3

To promote EU agricultural products on internal market and in third countries

This activity contributes to the general objective 1: "To promote a viable and competitive agricultural sector which respects high environmental and production standards, ensuring at the same time a fair standard of living for the agricultural community" and to the general objective 3: " To promote the European agricultural sector in world trade."

<i>Result Indicators</i>	<i>Latest known result²⁵</i>	<i>Target (2012)²⁶</i>
Coverage of promotion campaigns:		
Number of products covered by active programmes	Internal market: 15 out of 15 MS ²⁷ Third countries: 11 out of 12	Internal Market: 15 out of 15 Third countries: 11 out of 12
Number of countries or geographical areas targeted by active programmes	Internal market: 27 out of 27 MS Third countries: 18 out of 21	Internal Market: 25 out of 27 MS Third countries: 18 out of 21
Number of proposals (programmes)	Internal market: Definitive n° of proposals: 42 ²⁸ (2011); 55 (2010) Fruit and veg. programmes: 14 Third countries: 31 Fruit and veg. programmes: 3	Internal market: 55 Third countries: 35
Rate of acceptance (programmes)	Internal market: Definitive Rate of acceptance: 61.9 % (2011); 35 % (2010) Fruit and veg. rate of acceptance: 78.5 % Third countries: 67.7 % Fruit and veg. rate of accept: 100 %	Internal market: 60 % Third countries: 60 %
Share of promotion in wine sector under the national support programmes NSP ²⁹	2011: 14 % of NSP 2010: € 96 million 9 % of NSP 2009: € 35 million 5 % of NSP	Increasing share of NSP used for promotion: 2013: 22 % of NSP 2012: 19 % of NSP
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none"> • Commission Decisions approving promotion programmes; • Commission communication on the new promotion policy, after an impact assessment and legislative proposals at the end of 2012; • Presentation of report to the European Parliament and the Council by 31 December 2011 on the implementation of the promotion measures in the wine sector referred to in Article 184 of Regulation (EC) N° 1234/2007 ("Single CMO Regulation") Agenda planning reference 2011/AGRI/017. 		

²⁵ Comparison is made to the number of themes/products and markets defined in Regulation (EC) 501/2008.

²⁶ Some targets have been updated for 2012 in view of the past evolution of the activity.

²⁷ Member States

²⁸ Despite the lower number of proposals their quality has significantly improved (cf. Indicator "Rate of acceptance").

²⁹ This indicator has been slightly precised.

SPECIFIC OBJECTIVE 4

To improve access to food for sensitive social groups

This activity contributes to the general objective 1: "To promote a viable and competitive agricultural sector which respects high environmental and production standards, ensuring at the same time a fair standard of living for the agricultural community".

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Number of participating MS and annual beneficiaries of the:		
Supply of food for distribution to the most deprived persons in the Community	<p>2010: 19 participating MS (18.4 million beneficiaries 489 000 t of food distributed)</p> <p>2009: 18 participating MS (18.3 million beneficiaries 450 000t food distributed)</p> <p>2008: 18 participating MS (14.4 million beneficiaries 300 000t food distributed)</p>	Participation of at least 20 ³⁰ MS
"School milk" programme	<p>2009/2010 school year:³¹ 26 participating MS 374 719 t products in milk equivalent were distributed for 18 759 352 pupils</p> <p>2008/09 school year: 26 participating MS 385 433t products in whole milk equivalent were distributed for about 19 million pupils</p> <p>2007/08 school year: 26 participating MS 337 686t products in whole milk equivalent were distributed</p> <p>2006/07 school year: 22 participating MS 305 000t products in whole milk equivalent were distributed</p>	Wider participation and coverage
"School fruit" programme	<p>2011/2012: 24 MS participating (UK,SE and FI opted out)</p> <p>2010/2011: 24 MS participating</p> <p>2009/2010 school year: 23 participating MS, 4.7 million children reached (18.3% of target group and 32000 schools (17% of target group)</p>	Wider participation and coverage (p.m.: the Scheme is voluntary for MS; Union participation of € 90 million (co-financing by MS is required)).
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none"> Follow-up of discussions on the amended COM(2011)634 final establishing new basic provisions as regards food distribution to the most deprived persons in the Community with the view to put it in line with the Lisbon Treaty and, if an agreement is concluded, preparation of the Commission new implementing rules (Agenda planning reference 2009/AGRI/021) If the Legislator decides a new legal framework, adoption of a complementary 2012 Plan of food distribution for the most deprived persons. 		

³⁰ The realisation of the target is closely linked to the new legal framework.

³¹ Data for 2010/2011 school year will be available in February 2012.

Main expenditure related outputs

Main expenditure-related output (Objective 1 and 2)	Budget line (2012)	2012	
		Output (no.)	€ million
Intervention purchasing (number of products for which purchasing occurs) ³²	05 02	0	-8
Export subsidies for agricultural products (number of products for which export subsidies are granted) ³³	05 02	3	148
Marketing of fruit and vegetable through Producer Organisations (POs). Proportion of the value of production marketed through the PO's in the value of total production ³⁴	05 02 08 03	Known autumn 2013	496
Fruit & vegetables: Aid to producer groups for preliminary recognition: Number of producer groups	05 02 08 11	274	195
Wine: national envelope – restructuring: number of hectares	05 02 09 08 03ab	55 000	466
Wine: national envelope – investments	05 02 09 08 07ab	1 147	216
Wine: national envelope – by-product distillation: hectolitres of alcohol produced	05 02 09 08 08	735 000	102
Wine: national envelope – potable alcohol – number of hectares	05 02 09 08 09	32 754	14
Wine: national envelope – use of concentrated must - hectolitres	05 02 09 08 11	9	36
Wine: grubbing up new scheme: number of hectares	05 02 09 09	0 ³⁵	20
Others			616
Total ³⁶			2 301
Main expenditure-related outputs (Objective 3)	Budget line (2011)	2011	
		Output (no.)	€ million
Internal market and third country promotion programmes (programmes approved)	05 02 10 01	Internal: 26 Third country: 15	54
Wine: national envelope promotions	05 02 09 08 02		197
Others			1.4
Total			252.4
Main expenditure-related outputs (Objective 4)	Budget line (2012)	2012	
		Output (no.)	€ million
Supply of food for distribution to the most deprived persons in the EU: number of beneficiaries (million)	05 02 04 01	19	500
School fruit scheme: number of beneficiaries (million)	05 02 08 12	24 MS in 2010/2001. School year 2009/2010: 32 000 schools, almost 5 million children (18.4 % of the core group of schoolchildren in the EU in the age group of 6-10 years). € 34.4 million spent.	90
School milk scheme (number of beneficiaries (million)	05 02 12 08	18.8	90
Others			
Total			680

³² The total cost in any budget year is dependant on the number of products and the quantity and price for of each product. In the 2012 Draft Budget, no intervention buying-in is anticipated.

³³ The total cost in any budget year is dependant on the number of products, the quantity of each product, the export refund rates and the proportion of the cost falling in each budget period.

³⁴ The 2012 budget figure relates to appropriations and does not include assigned revenue available to this budget item at € 310 million.

³⁵ The grubbing-up measure ends in 2011. The budget amount relates to residual payments for actions in previous budget years.

³⁶ Not including measures covered under objectives 3 and 4 in ABB 05 02 for which output indicators are given.

ABB 03 - Direct Aid

Justification of the activity at EU level

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.

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 providing a basic support for agricultural income, direct aids contribute to the objective of a regional balance in land use and agricultural activities. 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 ABB 02 – intervention on the agricultural markets.

Replacing specific interventions on the markets with direct aid payments is justified by:

- Firstly, it introduces less distortion of markets, particular in the context of international trade, thus contributing to the aim of greater trade liberalisation.
- Secondly, the economic efficiency of providing direct aid is greater than that of supporting markets, thus contributing to more effective use of the EU's financial resources.
- Thirdly, direct aid at EU level has permitted the introduction and the implementation of cross compliance in a consistent way throughout the EU. This should improve sustainability of European agriculture and rural areas, make the CAP more compatible with the expectations of modern society and of consumers, and strengthen the CAP's legitimacy and public acceptance.
- Finally, managing direct aid at the EU level ensures a level playing field for farmers across EU, especially in imposing strict management rules (Integrated Administration and Control System – IACS) on Member States which are frequently audited and subject to the clearance of accounts procedure.

Description of the activity

The strategic objective and equity function as set out in "Article 39(1)b of the TFEU is realised by means of different activities under the first and the second pillar. Market support (05 02) and direct aid payments to farmers (05 03) constitute the "first pillar" while the rural development policy (05 04) constitutes the "second pillar". Direct aid (income support) under the ABB activity 03 is the most important component in terms of financial transfers to reach this objective.

Both Market Support and Direct Aid are paid through shared management with the Member States. Member States, through specially designated Paying Agencies, are responsible for direct payments to the beneficiaries and declare monthly these payments to the DG AGRI; the Commission enforces that the Member States pay the beneficiaries within the regulatory time period and ensures the Member States are reimbursed on a timely basis.

The 2003 CAP reform introduced major changes in the direct aid schemes, by decoupling payments to farmers from production, introducing cross-compliance conditions, and increasing subsidiarity at the level of the Member States. Following the Health Check of the CAP, finalised in 2008, decoupling was extended further and implementation simplified. Under the direct aid schemes support is granted to more than 7 million farmers. It is estimated that about 28 % of beneficiaries are women.

Management and implementation of the direct support system as set out in Council Regulation N° 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". Four main Regulations are concerned:

- Regulation (EC) N° 1120/2009 dealing with the rules for the implementation of the Single Payment Scheme (SPS);
- Regulation (EC) N° 1121/2009 covering all direct payment schemes other than the SPS (including the Single Area Payment Scheme applied in 10 EU-12 and the Complementary National Direct Payments in the EU-12);
- Regulation (EC) N° 1122/2009 dealing with dealing with Cross-Compliance, modulation and the Integrated Administration and Control System (IACS);
- The annual Commission Regulation fixing national budgetary ceilings per scheme.

The management and implementation of the direct support system requires, particularly after implementing the Health Check, the transmission by the Member States of data (communications) and assessment of a number of new payments by the Commission (as for instance the specific support under Art. 68 of Council Regulation (EC) No 73/2009). This will be done by means of the ISAMM system.

Based on the outcome of public and institutional consultation in 2010/11, the Commission submitted on 12 October 2011 its proposals on the reform of the CAP, including proposals on the future system of direct payments to farmers. The proposal ((COM2011) 625/3) includes a new architecture of direct payments, consisting mainly of a Basic Payment Scheme with entitlements plus mandatory additional layers ("greening" scheme, Young Farmers Schemes, Small Farmers' Scheme) as well as optional schemes (Payments for natural constraints, voluntary coupled support).

The discussion on the CAP reform has passed its first round in the Council Working Party and with the EP. As far as the direct payments proposal is concerned, further discussion will take place in Council, EP, ECOSOC, CoR, with various Advisory Groups, the ECA and stakeholders. As from summer, once a more stable text from the Council and the draft opinion of the EP are known, work will – in addition – focus on the delegated/implementing acts envisaged. Within the DG AGRI, an internal working group on direct payments has been set up, involving several services which are constantly informed about main issues and involved in the works of the group according to subjects. Furthermore, a follow-up of the discussion on the sCMO and the horizontal regulation is ensured.

Specific objectives and result indicators

SPECIFIC OBJECTIVE 1		
To sustain farmers' income stability by providing direct income support.		
This activity contributes to the general objective 1: "To promote a viable and competitive agricultural sector which respects high environmental and production standards, ensuring at the same time a fair standard of living for the agricultural community."		
<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Share of direct payments in agricultural entrepreneurial income (family farm income) ³⁷	2011: no available data 2010: 52 % 2009: 64 % ³⁸ 2008: 49 %	To maintain the ratio
Timely monthly payments to Member States within the deadlines	100 %	100 %
Timely payments of direct aids to final beneficiaries	96.6 % (Budget year 2011) 97.4 % (Budget year 2010)	100 % paid within the legal deadline
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none"> • Preparation of documents for the debate on the proposal for a new Regulation of the Council and of the European Parliament on direct payments for the post 2013 CAP (COM(2011) 625 final/2) as well as for a new Regulation on the financing, management and monitoring of the CAP (section on IACS) (COM(2011) 628 final/2); • Preparation of the detailed rules (Implementing and Delegated acts) of the proposal of the new Regulation of the Council and of the European Parliament on direct payments for the post 2013 CAP (COM(2011) 625 final/2) as well as for a new Regulation on the financing, management and monitoring of the CAP (section on IACS) (COM(2011) 628 final/2); • Commission Regulation establishing for 2012 the budgetary ceilings applicable to certain direct payments; • Eleven Commission Decisions: 9 new and 2 amending Decisions (EE + MT) - authorising the granting of complementary national direct payments (CNDPs) in the EU-12 for 2012 (except Cyprus where the Act of Accession already fixed the CNDP). 		

³⁷ The agricultural entrepreneurial income is often referred to as "family farm income" and can be seen as the income concept which is closest to an indicator of standard of living of the farmers. While "agricultural factor income" represents the income generated by the farming activities which is used to reward the sum of all production factors employed (own and borrowed capital, own and rented land, own and hired labour) plus the entrepreneurship of a farmer (profit), "agricultural entrepreneurial income" results from deducting the cost of borrowed capital, rented land and hired labour from "agricultural factor income" and is hence an indicator of the capacity of a farm to remunerate its own production factors (land, labour, capital) and to generate a profit.

³⁸ The increase in 2009 of the share of direct payments in agricultural entrepreneurial income is due to the economic crisis which decreased the revenues of the farmers.

SPECIFIC OBJECTIVE 2

To promote a more market oriented agriculture, by extending further the shift from coupled to decoupled income support.

This activity contributes to the general objective 1: "To promote a viable and competitive agricultural sector which respects high environmental and production standards, ensuring at the same time a fair standard of living for the agricultural community."

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target³⁹</i>
% of total direct payments which is decoupled	Calendar year 2010/budget year 2011: 91.67% Calendar year 2009/budget year 2010: 85.3 % Calendar year 2008/budget year 2009: 83.8 % Calendar year 2007/budget year 2008: 83.6 %	Calendar year 2012/budget year 2013 onwards: 93.28 % ⁴⁰ Calendar year 2011/budget year 2012 onwards: 91.94 % ⁴¹
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none">• Preparation of documents for the debate on the proposal of the new Regulation of the Council and of the European Parliament on direct payments for the post 2013 CAP (COM(2011) 625 final/2) as well as for a new Regulation on the financing, management and monitoring of the CAP (section on IACS) (COM(2011) 628 final/2);• Preparation of the detailed rules (Implementing and Delegated acts) of the proposal of the new Regulation of the Council and of the European Parliament on direct payments for the post 2013 CAP (COM(2011) 625 final/2) as well as for a new Regulation on the financing, management and monitoring of the CAP (section on IACS) (COM(2011) 628 final/2);• Commission Regulation establishing for 2012 the budgetary ceilings applicable to certain direct payments;• Eleven Commission Decisions: 9 new and 2 amending Decisions (EE + MT) - authorising the granting of complementary national direct payments (CNDPs) in the EU-12 for 2012 (except Cyprus where the Act of Accession already fixed the CNDP).		

³⁹ Draft Budget 2011. Final targets for 2011 based on the analysis of communications from Member States on the timetable of decoupling of coupled aids and the use of Art 68 of the Council Regulation (EC) No 73/2009 of 19 January 2009.

⁴⁰ Based on revised communications from the Member States on the use of Article 68 of the Council Regulation (EC) No 73/2009 of 19 January 2009.

⁴¹ Budget 2012.

SPECIFIC OBJECTIVE 3

Through cross compliance, to contribute to the development of sustainable agriculture and to contribute making the Common Agricultural Policy more compatible with the expectations of the society.

Through the good agricultural and environmental condition, to contribute preventing soil erosion, maintaining soil organic matter and soil structure, ensuring a minimum level of maintenance and avoiding the deterioration of habitats, and protecting and managing water.

Through the maintenance of land under permanent pasture, to contribute avoiding a massive conversion into arable land.

This activity contributes to the general objective 1: "To promote a viable and competitive agricultural sector which respects high environmental and production standards, ensuring at the same time a fair standard of living for the agricultural community."

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
The % of CAP Payments covered by cross compliance	78.5% (2012) ⁴² 79.6% (2011) 81.4% (2010)	Maintain the %
Opinion expressed by the public on cross compliance	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 86 % support the reduction of direct payment to farmers not respecting food safety rules	Maintain the positive opinion
Control rate for GAEC	100 % implementation of the minimum regulatory control rate in MS, except in Germany (Thuringen) where they do not arrive to 1% for all GAEC. ⁴³	100 % implementation of the minimum regulatory control rate
The ratio of permanent pasture within a Member State in relation to the total agricultural area	The ratio has not decreased beyond the limit of 10 % in any MS except Finland. ⁴⁴	Maintain the ratio within the limit of 10 % in relation to a reference ratio ⁴⁵
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none"> Follow up of discussion of the proposal of horizontal Regulation of the Council and of the European Parliament on post 2013 CAP (cross compliance and Farm Advisory System). 		

⁴² 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 has 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. The percentage indicated for 2012 relates to needs in the 2012 budget. Figures updated, based on execution.

⁴³ According to the 2009 statistics (latest available for all MS) provided under Art.84 of Reg. 1122/2009 and Art.34 of Reg. 1975/2006, the Paying agency Thuringen (DE) achieved a 0.6% control rate for the whole GAEC Area.

⁴⁴ As regards Finland, provisional figures to be confirmed when the reference ratio shall be adapted. A Finnish request for adapting the reference ratio is under discussion.

⁴⁵ The maintenance of the ratio of permanent pasture means that there should not be, at national or regional level, a decrease by more than 10 % of the current ratio of permanent pasture in relation to the total agricultural area by comparison with a reference ratio reflecting this ratio at a reference period.

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

This activity contributes to the general objective 1: "To promote a viable and competitive agricultural sector which respects high environmental and production standards, ensuring at the same time a fair standard of living for the agricultural community."

<i>Result Indicators</i>	<i>Latest known result 2010 (2009)</i>	<i>Target (mid-term)</i>
Support to the Local Production (SLP) to maintain/develop the agricultural production: Utilised agricultural area ⁴⁶	POSEIDOM: Guadeloupe: 43 227 ha (- 0.3 %) Martinique: 34 922 ha (+ 29.5 %) Guyane: 22 980 ha (- 6.5 %) Réunion: 45 152 ha (- 4.3 %) POSEICAN: Canaries: 82 690 ha (+ 0.1%) POSEIMA: Madeira: 5 428* ha (+ 41 %: 2007 data) Azores: 120 412* ha (+ 7.5 %: 2007 data) *in 2009 Smaller AEGEAN ISLANDS: N/C ⁴⁷	Maintenance
Specific Supply Arrangements (SSA) to ensure the supply of essential products: SSA coverage rate ⁴⁸	POSEIDOM: Guadeloupe: 99.9 % (99.2 %) Martinique: 95.3 % (98.7 %) Guyane: 86.1 % (87.6 %) Réunion: 96.7% (95.7 %) POSEICAN: Canaries – cereals: 97.21 % (98.91 %) POSEIMA : Madeira: N/C Azores – cereals: 70.6 % (70.4 %) Smaller AEGEAN ISLANDS: N/C ⁴⁹	100 %

⁴⁶ In their annual implementation reports for 2010, the concerned MS (except Greece and Madeira) have communicated data related to the common performance indicators as requested by the services of DG AGRI. However, since these indicators have been used for the first time, the provided data may not be fully in line with the requirements of the DG AGRI services and thus not mutually comparable. Therefore, these indicators shall be evaluated with the due caution.

⁴⁷ Greece has not communicated any data related to the common performance indicators requested by the services of DG AGRI in its last annual report for 2010. For the first time, and after the initiative of DG AGRI services, 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.

⁴⁸ In their annual implementation reports for 2010, the concerned MS (except Greece and Madeira) have communicated data related to the common performance indicators as requested by the services of DG AGRI. However, since these indicators have been used for the first time, the provided data may not be fully in line with the requirements of the DG AGRI services and thus not mutually comparable. Therefore, these indicators shall be evaluated with the due caution.

⁴⁹ Greece has not communicated any data related to the common performance indicators requested by the services of DG AGRI in its last annual report for 2010. For the first time, and after the initiative of DG AGRI services, 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.

<p>Specific Supply Arrangements (SSA) to ensure an equitable level of prices for essential products: Price index with respect to the price in the mainland for some representative products or baskets of products⁵⁰</p>	<p>POSEIDOM**: Guadeloupe: 126.1 (123.6) Martinique : 132.4 (131.7) Guyane: 124.4 (123.8) Réunion: 124.9 (124.0) [France: 124.7 (123.2)]</p> <p>(**index of prices for a basket of food products with respect to 1998 = 100 – not comparable to the indicators provided by ES and PT)</p> <p>POSEICAN: Canaries: Food basket: 1.02 (1.03) Drinks basket: 1.00 (1.00)</p> <p>POSEIMA : Madeira: N/C Azores: - rice: 1.18 (1.13) - oil: 1.19 (1.30) - bread: 0.98 (0.94)</p> <p>Smaller AEGEAN ISLANDS: N/C⁵¹</p>	<p>Reduce the gap with mainland prices</p>
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Main outputs in 2012 (including policy outputs when relevant)

- Adoption of Commission implementing and delegated Regulations following the adoption of the recasting of Council Regulation (EC) No 247/2006 laying down specific measures for agriculture in the outermost regions of the Union (alignment to the TFEU) and replacing Commission Regulation (EC) No 793/2006;
- Adoption of Commission implementing and delegated Regulations following the adoption of the recasting of Council Regulation (EC) No 1405/2006 laying down specific measures for agriculture in favour of the smaller Aegean islands (alignment to the TFEU) and replacing Commission Regulation (EC) No 1914/2006;
- Adoption of Commission Decisions approving the annual modifications of the POSEI and Aegean Islands programmes.

N.B. Indicators "Support to the Local Production (SLP): Total number of beneficiaries per programme in 2009 and annual variation" and "Specific Supply Arrangements (SSA): Financial realisation in 2010 of allocated budget" have been replaced by more appropriate ones: "Support to the Local Production (SLP) to maintain/develop the agricultural production: Utilised agricultural area", "Specific Supply Arrangements (SSA) to ensure the supply of essential products: SSA coverage rate" and "Specific Supply Arrangements (SSA) to ensure an equitable level of prices for essential products: Price index with respect to the price in the mainland for some representative products or baskets of product".

⁵⁰ In their annual implementation reports for 2010, the concerned MS (except Greece and Madeira) have communicated data related to the common performance indicators as requested by the services of DG AGRI. However, since these indicators have been used for the first time, the provided data may not be fully in line with the requirements of the DG AGRI services and thus not mutually comparable. Therefore, these indicators shall be evaluated with the due caution.

⁵¹ Greece has not communicated any data related to the common performance indicators requested by the services of DG AGRI in its last annual report for 2010.

Main expenditure related outputs

Main expenditure-related outputs	Budget line (2012)	2012	
		Output (no.)	€ million*
Single payment scheme (SPS) (Number of hectares paid) ⁵²	05 03 01 01	107 106 509	30 472
New regimes decoupled and integrated in the single payment scheme (SPS) (Number)	05 03 01 01	0	
Single area payment scheme (SAPS) (Number of hectares paid in accordance with the accession treaties and subsequent acts)	05 03 01 02	41 497 000	5 963
Others			3 663
Total ⁵³			40 098

Main expenditure-related outputs	Budget line (2012)	2012	
		Output (no.)	€ million*
Regime for outermost regions of the EU and in the Aegean Islands. Direct aids for banana reference area (hectares/quantities)	05 03 02 50	ES 11 200 ha PT 915 ha FR 12 267 ha	277.2
Other			135.9
Total			413.1

*For each type of output, this is the total cost of the outputs produced

⁵² The 2012 budget figure relates to appropriations and does not include assigned revenue available to this budget item at € 700 million.

⁵³ Not including measures covered under objective 4 of ABB 05 03.

ABB 04 – Rural Development

Justification of the activity at EU level

The EU rural development policy (ABB 04) is the second pillar of the CAP, next to market support (ABB 02) and direct payments to farmers (ABB 03), which constitute the first pillar of the CAP. For the period 2007-2013, the EU rural development policy aims at promoting:

- Competitiveness of the agri-food sector and forestry and ensuring the long term food production base; priority is thus given to knowledge transfer, innovation and quality in the agri-food chain and in forestry;
- Sustainable land management, in particular in relation to biodiversity, soil and water management, climate change, the protection and development of agricultural and forest systems of a high nature value and of the traditional agricultural landscape;
- Quality of life in rural areas and diversification of economic activities, in particular in the more lagging rural areas by promoting alternative job opportunities and basic services contributing to growth.

The policy thus contributes to the overall EU goals of growth and job creation (Lisbon Agenda), sustainability (Gothenburg European Council conclusions), environmental integration (Cardiff European Council conclusions) and EU commitments related to climate change. Moreover, it responds to the objectives laid down in the Treaty on the functioning of the European Union (TFEU), relating to the CAP (article 39), to economic and social cohesion (article 174) and environmental protection (article 191).

A common strategic approach based on EU Strategic Guidelines, National Strategy Plans (27 in total) and EU co-financed multi-annual Rural Development Programmes (94 in total) designed and implemented by the Member States, ensures a strategic approach and coherence of action to attain the agreed goals at EU level. Through investment in physical, human and social capital in rural areas and through payments to farmers, forest holders and other land managers for environmental services and through support in rural basic infrastructure and local capacity building, the specific objectives of the policy are achieved.

In addition to the funding tool, the activity addresses policy issues in the field of agriculture and forestry with a strong EU dimension such as the environmental regulatory framework, organic food and farming, quality policy, forestry resources, biomass, renewable energy and agricultural genetic resources.

Tools facilitating communication of consumer information about the characteristics of agricultural quality products as well as protection of quality names through intellectual property rights, enhance the competitiveness of farmers and food producers and improve the farm viability (EAFRD priority nr.2).

The "Europe 2020" strategy established in 2010 a new framework for the Union policy up to 2020. It specifies in the five "Europe 2020" headline targets for employment, research and innovation, climate change / energy, education and combat of poverty / social exclusion.

The Rural Development policy already contributes to these strategic objectives and overall headline targets by the above mentioned funding activities. The proposal for the future CAP post-2013, including the proposed legal framework for the EAFRD of 12 October 2011 will strengthen and target the funds to the accomplishment of both these overall "Europe 2020" and CAP specific objectives.

The specific contribution of the European Agricultural Fund for Rural Development Fund (EAFRD) during 2014-20 will be defined in into the new Common Strategic Framework (CSF) for the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF) and the European Maritime and Fisheries Fund (EMFF) to achieve the objectives and thematic priorities of the "Europe 2020" strategy. This framework will also ensure a coherent and complementary cooperation and coordination between these Funds based on common principles, common thematic objectives.

The instrument Partnership Contracts (PC) which in future outlines the national priorities and the indented use of the funds in the pursuit of the "Europe 2020" objectives and headline targets will be further specified.

The basic principle from the current, successful Rural Development concept of multi-annual programmes designed by Member States in a given legal framework, based on the regional and local needs and co-funded by the EU. For the new rural development programming period 2014-20 the following 6 new priorities which are directly derived from the "Europe 2020" objectives, are defined:

- Fostering knowledge transfer and innovation in agriculture, forestry and rural areas;
- Enhancing competitiveness of all types of agriculture;
- Promoting food chain organisation and risk management;
- Restoring, preserving and enhancing ecosystems;
- Promoting resource efficiency and transition to low carbon economy and climate resilient economy;
- Promoting social inclusion, poverty reduction and economic development in rural areas.

Within the CAP as a whole, Rural Development policy will have a strong contribution to make in the field of promoting a competitive agricultural sector and sustainable food production, sustainable management of natural resources and balanced and inclusive territorial development, supported by an improved management system.

In the context of the proposal, the Commission intends to launch "European Innovation Partnerships" in key areas. "Agricultural Productivity and Sustainability" is referred in this context to as a potential "European Innovation Partnership" to improve resource-efficient, productive and low-emission agricultural production methods and land management

Description of the activity

With nearly 60 % of the population in the 27 Member States of the EU living in rural and intermediate areas which cover around 90 % of the territory, rural development is an important policy area. Farming and forestry remain essential for land use and the management and protection of natural resources, and as a platform for economic diversification in rural communities.

Support provided through the European Agricultural Fund for Rural Development (EAFRD) can contribute significantly to the sustainability of the rural environment and helps to maintain a balance between urban and rural areas in a competitive and knowledge-based economy. For the programming period 2007-2013 the policy is laid down in Council Regulation (EC) No 1698/2005 on support for rural development by the EAFRD. The Regulation offers a set of pre-defined programming axis (3) and measures (over 40 measures in total) to Member States (or regions) to draw up their Rural Development Programmes. The programmes translate into action the priorities and needs identified by the Member States in their National Strategy Plans (NSPs), based on an in-depth analysis of the current situation of their rural areas The Leader approach – i.e. a bottom-up approach in the implementation of

rural development policy – can be used throughout the axes and offers in addition the opportunity to realise joint, transnational cooperation projects between rural areas within and outside the EU territory.

More generally, rural development policy is supported by networking between different levels of governance and actors, knowledge sharing and exchange of good practices, and can be understood as a "meeting ground" for achieving synergy. The main vehicle is the European Network for Rural Development, interfaced with the national networks. In the preparation and implementation of the programmes, the Member States and the Commission are kept to promote equal opportunity and to apply the principle of non-discrimination through all programming stages. This includes the stages of design, implementation, monitoring and evaluation of programmes.

The activity is subject to comprehensive monitoring and evaluation based on a set of indicators and evaluation activities laid down in the Common Monitoring and Evaluation Framework. The indicators allow, where relevant, a breakdown by gender and age.

The controllability, verifiability, and achievements of rural development activities have been taken care of through the design and inherent nature of the pre-defined measures offered to Member States. Continued attention is being given to these requirements through ongoing management (including Monitoring Committee meetings, annual progress reports, annual review meetings and ongoing monitoring and evaluation, and audit plan missions).

Following the adoption by the Commission of the legal proposal for the future CAP post-2013 on 12 October 2011, including the proposal for the EAFRD regulation, activities during 2012 will focus on the negotiations with the other EU institutions with the aim of adoption of the legal framework in 2013.

In addition, analytical and preparatory work has to be carried out in 2012 in order to ensure that the necessary legal acts following the basic act will be in place in time. This also includes transitional rules.

The work related to the alignment of Regulation (EC) No 1698/2005 to the Lisbon Treaty will continue and may lead to future adaptations of the current Commission Regulations.

Specific objectives and result indicators

SPECIFIC OBJECTIVE 1

Increase the competitiveness of agriculture, forestry and the food industry through support for restructuring, innovation and value added quality products.

This activity contributes to the general objective 2: "To contribute to sustainable development of rural areas, in particular through:

- **improving the capacity of the agricultural sector to meet new challenges,**
- **contributing to preserving the environment and the countryside,**
- **improving the quality of life in rural areas,**
- **helping EU agriculture, forestry and rural areas to contribute to climate change mitigation and to adapt to its possible consequences".**

<i>Result indicators/output indicators</i>	<i>Latest known result (% of the targets)⁵⁴</i>	<i>Target 2007-2013⁵⁵</i>
Number of participants that successfully ended a training activity related to agriculture and/or forestry supported by EAFRD	1 022 000 (46%)	2 230 000
Value of agricultural production under recognized quality label/standards subject to support in Rural Development supported by EAFRD	€ 7.5 billion (45%)	€ 16.7 billion
Number of modernisation projects on farms supported by EAFRD	163 645 (28%)	575 150
Number of supported enterprises for adding value projects supported by EAFRD	10 787 (31%)	34 850
Number of farms participating in quality schemes under Rural Development Programs supported by EAFRD	185 904 (63%)	293 400
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none"> • Management of the Rural Development Programmes (annual reports, annual review meetings, Monitoring Committee meetings, modifications, mid-term evaluation assessment); • Commission Summary of the mid-term evaluation reports; contract for full synthesis contract for full synthesis signed in 2011; • Contribution to the legal proposal related to rural development policy after 2013; • Contribution to the drafting of implementing rules related to rural development policy after 2013; • Preparatory work related to transitional rules; • Contribution to the Common Strategic Framework for the European Agricultural Fund for Rural Development (EAFRD), the European Fisheries Fund (EFF), the European Regional Development Fund (ERDF), the Cohesion Fund, and the European Social Fund (ESF) for the period after 2013; • Contribution to the drafting of implementing rules related to the common provisions for the CSF Funds; • Follow-up of the amendment of Regulation (EC) No 1698/2005 as a follow up of the simplification working document and the alignment to the Treaty of Lisbon; • Contribution of the European Rural Development Network to better management of the Rural Development Programmes through analytical working groups (Focus Groups, National Rural Network initiatives); information and exchange actions (European Network for Rural Development website, project examples database, monitoring indicators) and organising events/seminars; • Dissemination of information about the post-2013 policy for different stakeholders; • The completion of the modification of the Regulation 1698/2005 for increasing the co-financing rate to 95% for countries under the two special financial mechanisms and the consequent modifications of the RDPs. 		

⁵⁴ Cumulated monitoring data 2007 – 2010 from the Annual Progress Report 2010, intermediate values subject to corrections.

⁵⁵ Most of the targets have been updated by the MS through RDP modifications. Source: Annual progress report 2010.

SPECIFIC OBJECTIVE 2

Improving the environment and the countryside through support for sustainable land and forest management with specific focus on biodiversity, organic farming, water and climate change.

This activity contributes to the general objective 2: "To contribute to sustainable development of rural areas, in particular through:

- **improving the capacity of the agricultural sector to meet new challenges,**
- **contributing to preserving the environment and the countryside,**
- **improving the quality of life in rural areas,**
- **helping EU agriculture, forestry and rural areas to contribute to climate change mitigation and to adapt to its possible consequences".**

<i>Result indicators</i>	<i>Latest known result (% of the targets)⁵⁶</i>	<i>Target 2007-2013⁵⁷</i>
Area supported by EAFRD under successful land management contributing to avoidance of marginalisation and land abandonment, to biodiversity, water quality, mitigating climate change, soil quality:		Maintenance or increase in ha or %
• Agri-environment (including organic farming)	40 300 000 ha (86 %)	47 000 000 ha
• First afforestation for agricultural land and non agricultural land ⁵⁸	114 280 ha (17 %)	673 000 ha
• Natura 2000	688 200 ha (65 %)	1 060 000 ha
• LFA	2.6 million holdings (87 %) 51.2 million ha (93 %)	3.0 million holdings 55 million ha
• Number of actions related to genetic resources supported in the framework of RDP (EAFRD)	8 000 applications	Target does not exist at sub-measure level
• Number of animal welfare contracts supported by EAFRD.	129 000 (93 %)	140 000
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none"> • Policy outputs mentioned under objective 1; • Continued implementation of the Community Programme concerning the conservation of genetic resources in agriculture following Council Regulation (EC) No 870/2004; Evaluation of this Community Programme and submission of the evaluation report to the European Parliament, the Council and the European Economic and Social committee; • Implementation of the EU Forest Action Plan completed. Call for tenders for its final evaluation launched on 13 May 2011. 		

⁵⁶ Cumulated monitoring data 2007 – 2010 from the Annual Progress Report 2010, intermediate values subject to corrections.

⁵⁷ Most of the targets have been updated by the MS through RDP modifications. Source: Annual progress report 2010.

⁵⁸ Alignment with the indicator "Area afforested" under Specific objective 6.

SPECIFIC OBJECTIVE 3

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.

This activity contributes to the general objective 2: "To contribute to sustainable development of rural areas, in particular through:

- **improving the capacity of the agricultural sector to meet new challenges,**
- **contributing to preserving the environment and the countryside,**
- **improving the quality of life in rural areas,**
- **helping EU agriculture, forestry and rural areas to contribute to climate change mitigation and to adapt to its possible consequences."**

<i>Result indicators</i>	<i>Latest known result (% of the targets)⁵⁹</i>	<i>Target 2007-2013⁶⁰</i>
Gross number of jobs created under axis 3 RD measures (EAFRD)	11 976 (4%) ⁶¹	307 000
Population in rural areas benefiting from improved services supported by EAFRD	46.2 million (65%)	71 million
Increase in non agricultural gross value added (GVA) in supported businesses (EAFRD)	€ 468 million (15%)	€ 3.1 billion
Number of new tourist actions supported by EAFRD	7 200 (21%)	34 900
Number of micro-enterprises supported/created by EAFRD	11 270 (14%)	79 350
Number of villages renewed supported by EAFRD	19 250 (60%)	32 150
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none">• Policy outputs mentioned under specific objective 1.		

⁵⁹ Cumulated monitoring data 2007-2010 from the Annual Progress Report 2010, intermediate values subject to corrections.

⁶⁰ Most of the targets have been updated by the MS through RDP modifications (Source: Annual progress report 2010).

⁶¹ For this particular indicator, some MS have set high targets (over 50 000 jobs) with so far no reporting of results.

SPECIFIC OBJECTIVE 4

To encourage quality production particularly through recognising and protecting quality denominations.

This activity contributes to the general objective 2: "To contribute to sustainable development of rural areas, in particular through:

- improving the capacity of the agricultural sector to meet new challenges,
- contributing to preserving the environment and the countryside,
- improving the quality of life in rural areas,
- helping EU agriculture, forestry and rural areas to contribute to climate change mitigation and to adapt to its possible consequences".

<i>Result indicators</i>	<i>Latest known result</i>	<i>Target</i>
Number of protected denominations registered (PDO/PGI/TSG)	1 052 (18.10.2011)	1 100 by end 2012
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none">• Register PDO/PGI/TSG names and publish in the OJ single documents and summaries, and on Internet of summaries and product specifications, ensuring public accurate information concerning registered PDO's and PGI's and TSG's;• Commission proposal for a Regulation on "agricultural product quality schemes" adopted on 10 December 2010 (Agenda Planning Ref. 2010/AGRI/010 = COM (2010)733); discussion in the European Parliament and the Council to continue. Adoption of legislative act expected in 2012.		

SPECIFIC OBJECTIVE 5

To encourage organic production and develop the market for organic products in the EU.

This activity contributes to the general objective 2: "To contribute to sustainable development of rural areas, in particular through:

- improving the capacity of the agricultural sector to meet new challenges,
- contributing to preserving the environment and the countryside,
- improving the quality of life in rural areas,
- helping EU agriculture, forestry and rural areas to contribute to climate change mitigation and to adapt to its possible consequences".

<i>Result/Output indicators</i>	<i>Latest known result</i>	<i>Target</i>
Area under organic cultivation ⁶²	8.6 million ha (EU-27 -2009)	Evolution in line with the demand trend: 10.14 million ha end 2012 ⁶³
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none">• Report to the Council on the application of Council Regulation (EC) No 834/2007 on organic production and review of the European Action Plan for Organic Food and Farming Agenda Planning reference 2011/AGRI/003;• Interinstitutional follow-up of alignment of Regulation (EC) No 834/2007 on organic production;• EGTOP (Expert Group for Technical advice for Organic Production) assessment of Member States requests for amendments of the technical annexes;• Updating of the EU organic standard (implementing rules) and implementation of the import system based on equivalency;• Tools for supervision of the controls performed by the Member States and by the competent authorities of the third countries the Commission has recognized as equivalent.		

⁶² Utilised Agricultural Area (UAA) subject to certified organic cultivation plus in-conversion area.

⁶³ Past evolution of the area is considered as reflecting the demand trend. Area evolution over years 2000 to 2008 was +7.4 % per year on average (EU-27). This is the coefficient used for target quantification.

SPECIFIC OBJECTIVE 6

To help EU agriculture, forestry and rural areas to adapt to the possible consequences of climate change and to enhance reduction of greenhouse gas emissions from farming.

This activity contributes to the general objective 2: "To contribute to sustainable development of rural areas, in particular through:

- **improving the capacity of the agricultural sector to meet new challenges,**
- **contributing to preserving the environment and the countryside,**
- **improving the quality of life in rural areas,**
- **helping EU agriculture, forestry and rural areas to contribute to climate change mitigation and to adapt to its possible consequences."**

<i>Result indicators</i>	<i>Latest known result</i>	<i>Target</i>
The ratio of permanent pasture within a Member State in relation to the total agricultural area ⁶⁴	The ratio has not decreased beyond the limit of 10 % in any MS	Maintain the ratio within the limit of 10 % in relation to a reference ratio. ⁶⁵
Area afforested ⁶⁶	114 280 ha (end 2010)	673 000 ha by end 2013
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none">• Regular contributions to the Impacts and Adaptation Steering group and in the inter-service group on adaptation, as the follow up of the Commission's White Paper on Adaptation to Climate Change;• Operating an expert group on agriculture and climate change, with participation of the Member States. Two meetings held in 2011 and two planned for 2012;• Commission proposal for a new EU Forestry Strategy (Agenda Planning reference 2012/AGRI+/003);• Contributions to the co-decision process to the review of agricultural policy post 2013 as regards matters related to climate change impacts of the instruments of the CAP;• Finalisation and dissemination of a study on the vulnerability and adaptation of EU agriculture to climate change;• Launch of a study on climate change mitigation options related to agricultural soils.		

⁶⁴ The result indicator deals with the greenhouse gas emissions topic which is one of the indicator of the Europa 2020 Strategy.

⁶⁵ The maintenance of the ratio of permanent pasture means that there should not be, at national or regional level, a decrease by more than 10 % of the current ratio of permanent pasture in relation to the total agricultural area by comparison with a reference ratio reflecting this ratio at a reference period.

⁶⁶ Data coming from the RD programmes and the indicator concerns agricultural and non-agricultural land, the targets have been updated by the MS through programme modification. Source: annual progress reports 2010.

SPECIFIC OBJECTIVE 7

To improve the supply of food, feed and biomaterials in a resource-efficient, productive and low-emission way in harmony with environmental conditions.

This activity contributes to the general objective 2: "To contribute to sustainable development of rural areas, in particular through:

- **improving the capacity of the agricultural sector to meet new challenges,**
- **contributing to preserving the environment and the countryside,**
- **improving the quality of life in rural areas,**
- **helping EU agriculture, forestry and rural areas to contribute to climate change mitigation and to adapt to its possible consequences".**

<i>Result indicators</i>	<i>Latest known result</i>	<i>Target</i>
Improved flow of information between research and farming as evidenced by the establishment of an operational network facility for the Innovation partnership ⁶⁷ concerning "Agricultural Productivity and Sustainability" ⁶⁸	Draft Commission Communication, outlining the Partnership "Agricultural Productivity and Sustainability" (priority areas, format of action, key actors, links to established policy measures, indicative targets) scheduled for adoption in January 2012 (Agenda Planning reference 2011/AGRI/042)	Endorsement of the EIP by Council and European Parliament
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none">• Updated work plan for innovation partnership "Agricultural Productivity and Sustainability";• Strategic Implementation plan: working methods, resources needed, and identification of priority areas for innovative action;• Commission working paper providing an appreciation of the "strategic implementation plan" for the innovation partnership, as proposed by the High Level Steering Board (Agenda Planning reference 2012/AGRI/010);• Conference on possibilities and opportunities for innovation in the field of agriculture.		

⁶⁷ The launching of the 'European Innovation Partnerships' between the EU and national levels is one of the key initiative of the Commission to fulfil the Flagship initiative I. Innovation Union making part of the Europe 2020 Strategy.

⁶⁸ The indicator has been reformulated (formerly "Conception of an innovation partnership concerning "Agricultural Productivity and Sustainability"") in order to better reflect the activity.

Main expenditure related outputs

€million payment appropriations	Budget line (2012)	2012	
05 04 05 01 €million	05 04 05 01	11 994.9	
Others €million (incl. EAGGF Guidance)	-	94.0	
Total €million		12 088.9	
		Output (no.)	
		2007/10 ⁶⁹	2007-2013
Training activity related to agriculture and/of forestry (Number of participants that successfully finalised training)		1 022 000	2 230 000
Modernisation projects on farms (Number of projects)		163 645	575 150
Supported enterprises for adding value projects (Number)		10 787	34 850
Participation in quality schemes under Rural Development Programs (Number of farms)		185 904	293 400
Main expenditure related outputs for specific objective 2: 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.			
		Output (no.)	
Main expenditure-related outputs⁷⁰		2007/10	2007-2013
Support under agri-environment (Number of hectares) ⁷¹		40 300 000	47 000 000
Support in Less Favoured Areas (Number of hectares)		51 200 000	55 000 000
Support under Natura 2000 (Number of ha)		688 200	1 060 000
Afforested land (Number of hectares)		114 280	673 000
Organic farming supported by agri-environmental measures in the framework of RDP (Number of ha)		4 600 000 ⁷²	Target does not exist at sub-measure level ⁷³
Genetic resources supported in the framework of RDP (Number of actions)		8 000 applications	Target does not exist at sub-measure level ⁷⁴
Main expenditure related outputs for specific objective 3: 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.			
		Output (no.)	
Main expenditure-related outputs		2007/10	2007-2013
Number of new tourist actions supported		7 200	34 900
Number of villages renewed		19 250	32 190
Number of micro-enterprises supported/created		11 270	79 350

⁶⁹ Cumulated monitoring data 2007 – 2010 from the Annual Progress Report 2010, intermediate values subject to corrections.

⁷⁰ All outputs mentioned in this table are provided by Member States in the Rural Development Programmes and the Annual Progress Reports.

⁷¹ 2010 data including both new commitments made from 2007 onwards and previous commitments still running

⁷² 2010 data does not include the commitments made before 2007 which are still running

⁷³ Organic farming and genetic resources are sub-measures of rural development and so do not have targets for the whole period, but indicators can be assessed after the receipt of the reports from the Member States.

⁷⁴ Idem.

ABB 05 – SAPARD/IPARD

Justification of the activity at EU level

This activity is an integral part of the broader EU pre-accession strategy, assisting candidate countries to progressively align their policies with the "acquis communautaire" and preparing the economies to sustain the competitive pressure from the internal market.

It supports the efforts of Candidate Countries (currently Turkey, Croatia and the former Yugoslav Republic of Macedonia and Montenegro) and potential Candidate Countries (Serbia, Bosnia and Herzegovina, Kosovo⁷⁵, Albania) working towards EU accession. It is therefore most appropriate that both policy and assistance is provided at EU level to ensure that a coordinated approach and strategy is formed and implemented. Through initiatives such as enhanced donor coordination of assistance with Member States, International Financial Institutions and other donors, taking a lead at the EU level means that maximum impact can be achieved.

It also assists the closure including debt-recovery of pre-accession assistance programmes under SAPARD to the three remaining SAPARD beneficiary countries Romania, Bulgaria and Croatia.

Under pre-accession measures in the field of agriculture and rural development, Candidate Countries ("CCs") 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.

The overall objective of the activity ABB 05 is to strengthen the agricultural competitiveness and quality of processing and production with the upgrading to EU standards to manage the environment and to improve the quality of life and the social fabric in rural areas of candidate countries and to build up an efficient management and control system for EU funds in preparation for their accession to the EU through the setting-up and implementation of an "EU-type" Rural Development Policy.

Description of the activity

From 1 January 2007, the Instrument for Pre-Accession Assistance (IPA) provides the basis for the co-ordination, management and implementation of the pre-accession strategy by the Commission. It is split in five components⁷⁶, one of which is the Instrument for Pre-Accession Assistance Rural Development (IPARD).

IPARD assists Candidate Countries with the preparation for the implementation of the "acquis communautaire" of the CAP and to align to EU structures, through the provision of financial assistance under multi-annual rural development programmes (2007-2013). Assistance under these programmes is based on the condition that the CCs have set up the required institutions and management and control systems for the implementation of IPARD. IPARD also provides support to CCs national administrations to implement certain types of rural development

⁷⁵ As defined in UNSCR 1244.

⁷⁶ I) capacity building, II) cross-border co-operation, III) regional development, IV) human resources and V) Rural Development (Instrument for Pre-Accession Assistance Rural Development – IPARD).

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 according to the financial management and control rules of the EU and through the approval, monitoring and evaluation of IPARD programmes in partnership with the Candidate Countries.

The activity also includes provision of input and advice to potential Candidate Countries in the framework of programming under IPA Component I (institution and capacity building, coordinated and managed by the DG ELARG) to prepare their rural development strategies and national as well as IPARD programmes for the implementation of pre-accession assistance under IPARD once they obtain candidate country status.

Finally, the activity includes follow-up and preparation of the former Special Accession Programme for Agriculture and Rural Development (SAPARD) programmes, which continued to be implemented in two new Member States and one candidate country for a transitional period after accession for closure. This concerned SAPARD (2000-2006) for Romania, Bulgaria and Croatia, which until the end of 2009 were eligible for SAPARD support and for which the final balance of the EU funds of the programme still has to be settled during 2012.

During the year 2011 negotiations of an IPARD successor instrument have officially started with the DG ELARG and the other component DGs (REGIO and EMPL). Substantial input has therefore been provided to the preparation of the stakeholder consultation, the impact assessment as well as the draft umbrella and framework regulation. During 2012, the activity will include further substantial legal drafting input to the setting-up of an IPA implementing regulation as well as to the establishment of a multi-annual indicative financial framework.

Specific objectives and result indicators

SAPARD (2000-2006) for Romania (RO), Bulgaria (BG) and Croatia (HR)

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.

This activity contributes to general objective 1: "To promote a viable and competitive agricultural sector which respects high environmental and production standards, ensuring at the same time a fair standard of living for the agricultural community".

This activity also contributes to the general objective 2: "To contribute to sustainable development of rural areas, in particular through:

- **improving the capacity of the agricultural sector to meet new challenges,**
- **contributing to preserving the environment and the countryside,**
- **improving the quality of life in rural areas."**

This activity also contributes to the general objective 3: "To promote the European agricultural sector in the world trade."

<i>Result indicators</i>	<i>Latest known result</i>	<i>Target</i>
All SAPARD programmes closed	On track	2012

IPARD for Candidate Countries Turkey (TR), former Yugoslav Republic of Macedonia (FYR of Macedonia), Croatia (HR) and Montenegro

SPECIFIC OBJECTIVE 2

Enabling decentralisation of assistance management to the Candidate Countries by supporting the development of the administrative and management and control capacity of the institutions implementing and managing the IPARD programmes.

This activity contributes to general objective 1: "To promote a viable and competitive agricultural sector which respects high environmental and production standards, ensuring at the same time a fair standard of living for the agricultural community".

This activity also contributes to the general objective 2: "To contribute to sustainable development of rural areas, in particular through:

- **improving the capacity of the agricultural sector to meet new challenges,**
- **contributing to preserving the environment and the countryside,**
- **improving the quality of life in rural areas."**

This activity also contributes to the general objective 3: "To promote the European agricultural sector in the world trade."

Result indicators	HR		TR		FYR of Macedonia		Montenegro	
	Latest known result	target	Latest known result	target	Latest known result	target	Latest known result	target
National Authorising Officer (NAO) and National Fund are in place and operational, confirmed by national accreditation	Achieved for 2 measures in 2009 ⁷⁷ Achieved for 3 additional measures in 2010 Achieved for 1 additional measure in 2011	On-going for 1 additional measure in 2012	Achieved for 5 measures in 2010	On-going for 2 additional measures in 2012	Achieved for 3 measures in 2009	On-going for 1 additional measure in 2012	On-going	2013
IPARD Agencies are in place and operational, confirmed by national accreditation	Achieved for 2 measures in 2009 Achieved for 3 additional measures in 2010 Achieved for 1 additional measure in 2011	On-going for 1 additional measure in 2012	Achieved for 5 measures in 2010	On-going for 2 additional measures in 2012	Achieved for 3 measures in 2009	On-going for 1 additional measure in 2012	On-going	2013

⁷⁷ It should be noted that the accreditation and conferral exercise is done on a measure by measure basis. Whereas the IPARD Programmes contains the whole set of measures a Candidate Country intends to implement eventually, it can request the accreditation and conferral of management in a sequenced manner for one or more measures at a time.

Managing Authorities are in place and operational, confirmed by national accreditation	Achieved for 2 measures in 2009 Achieved for 3 additional measures in 2010 Achieved for 1 additional measure in 2011	On-going for 1 additional measure in 2012	Achieved for 5 measures in 2010	On-going for 2 additional measures in 2012	Achieved for 3 measures in 2009	On-going for 1 additional measure in 2012	On-going	2013
Candidate Countries have ratified the Sectoral Agreement (SA) for the implementation of the IPARD programme	Achieved in 2009		Achieved in 2010		Achieved in 2009		On-going	2013
Candidate Countries have updated and modified the Sectoral Agreement for the implementation of the IPARD Programme	On-going	2012	On-going	2012	On-going	2012	Not applicable	
Multi-annual Financing Agreements (MFA) concluded.	Achieved in 2010	On-going in 2012	Achieved in 2011	On-going in 2012	Achieved in 2010 and 2011	On-going in 2012	On-going	2013
Programmes established for the implementation of IPARD assistance	Achieved In 2008		Achieved in 2008		Achieved in 2008		On-going	2012
Programmes modified to support national accreditation, to add new measures and to include new annual allocations for the implementation of the measures	Achieved 2008, 2009, 2010, 2011	On-going 2012	Achieved 2008, 2009, 2011	On-going 2012	Achieved 2008, 2009, 2011	On-going 2012	Not applicable	

Main outputs in 2012 (including policy outputs when relevant)

- The SA modified for HR, fYR of Macedonia and Turkey;
- Adoption of the IPARD Programme for Montenegro;
- Three modifications of the IPARD programmes of TR, fYR of Macedonia and HR adopted by the Commission;
- Conferral of management granted to TR for 1 measure and 3 additional Provincial Coordination Units (PCUs), for fYR of Macedonia for 1 measure and for HR for 3 measures.

SPECIFIC OBJECTIVE 3

To contribute to the sustainable adaptation of the agricultural sector and rural areas and to the Candidate Countries' preparation for the implementation of the *acquis communautaire* concerning the CAP and related policies by:

1. improving market efficiency and implementation of Union standards,
2. preparatory actions for the implementation of the agri-environmental measures and local rural development strategies,
3. development of the rural economy.

This activity contributes to general objective 1: "To promote a viable and competitive agricultural sector which respects high environmental and production standards, ensuring at the same time a fair standard of living for the agricultural community".

This activity also contributes to the general objective 2: "To contribute to sustainable development of rural areas, in particular through:

- improving the capacity of the agricultural sector to meet new challenges,
- contributing to preserving the environment and the countryside,
- improving the quality of life in rural areas."

This activity also contributes to the general objective 3: "To promote the European agricultural sector in the world trade."

Result indicators ⁷⁸	Latest known result at end of 2011 ⁷⁹	Target (result)2007-2013 ⁸⁰
<p>Improving market efficiency and implementation of Union standards (AXIS 1): A) Number of farm holdings introducing Union standards B) Number of enterprises introducing Union standards C) Number of slaughterhouses supported</p> <p>Preparatory actions for the implementation of the agri-environmental measures and local rural development strategies (AXIS 2): A) Number of training /education sessions carried out to prepare the implementation of rural development strategies B) Number of skill acquisition and animation actions carried out</p> <p>Development of the rural economy (AXIS 3): A) Number of tourism beds created B) Number of villages with development actions</p>	<p>Contracting in Turkey has only started in late 2011 and first results will only be known in 2012. A) 5 projects in HR A) 5 projects in fYR of Macedonia B) 1 project in HR B) 4 projects in fYR of Macedonia</p> <p>Contracting under axis 2 has not started, yet as the accreditation and conferral processes in the countries are not finalised, yet.</p> <p>Under axis 3, there are currently only projects contacted but not yet paid.</p>	<p>AXIS 1: A) 583 in TR A) 59 in HR A) 93 in fYR of Macedonia B) 1422 in TR B) 48 in fYR of Macedonia B) 100 in HR C)104 in TR</p> <p>AXIS 2: A) 20 in HR B) 5000 in TR B) 20 in HR</p> <p>AXIS 3: A) 2580 in TR B) 195 in HR</p>
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none"> • Management of the implementation of 3 IPARD programmes 2007-2013 (including their amendments). 		

N.B. An indicator "Number of villages with development actions" has been introduced in order to better reflect the activity in respect to the objective.

⁷⁸ As Montenegro only recently received the CC status and the IPARD Programme is not approved, yet result indicators can only be provided subsequently.

⁷⁹ The results are provided for projects contracted and paid.

⁸⁰ The targets for TR are for 2007-2013, for HR and fYR of Macedonia for 2007-2011.

SPECIFIC OBJECTIVE 4

To provide guidance in building institutional capacities of potential Candidate Countries (Serbia, Bosnia and Herzegovina and Albania) and Kosovo to manage the IPARD rural development programmes, after having received a Candidate status

This activity contributes to general objective 1: "To promote a viable and competitive agricultural sector which respects high environmental and production standards, ensuring at the same time a fair standard of living for the agricultural community".

This activity also contributes to the general objective 2: "To contribute to sustainable development of rural areas, in particular through:

- **improving the capacity of the agricultural sector to meet new challenges,**
- **contributing to preserving the environment and the countryside,**
- **improving the quality of life in rural areas."**

This activity also contributes to the general objective 3: "To promote the European agricultural sector in the world trade."

<i>Result indicators</i> ⁸¹	<i>Latest known result (2011)</i>	<i>Target</i>
<p>Designation, identification and start of operation of NAO and National Fund in accordance with the provisions of the Framework and Sectoral Agreement.</p> <p>Signature of Sectoral Agreement between the Commission and Albania and Serbia, subject to these countries becoming Candidates.</p> <p>Setting- up and start of operation of IPARD Agency in accordance with the provisions of the Framework and Sectoral Agreement.</p> <p>Setting up and start of operation of managing authority in accordance with the provisions of the Framework and Sectoral Agreement.</p> <p>Submission of IPARD programmes for Albania and Serbia to the Commission, subject to these countries becoming Candidates.</p> <p>Successful contribution of relevant IPA component I projects to building institutional capacities in the countries concerned.</p>	<p>14 advisory missions to the potential Candidate Countries were carried out.</p> <p>Advice to the national authorities was provided in 8 technical meetings in Brussels. 5 IPARD capacity-building IPA component I projects are being implemented.</p> <p>Albania has presented several draft IPARD Programmes.</p> <p>Managing Authority and IPARD Agency have been set up in Albania and Serbia and are preparing for accreditation.</p>	<p>NAO and National fund established and operating in 2013 in Serbia or later when the other countries are accepted as candidate countries</p> <p>Sectoral Agreement signed in 2013 for Serbia or later when the other countries are accepted as candidate countries</p> <p>IPARD Agency operating in 2013 in Serbia or later when the other countries are accepted as candidate countries</p> <p>Managing Authority operating in 2013 or later when the countries are accepted as candidate countries</p> <p>IPARD Programme submitted in 2012 by Serbia and later when the other countries are accepted as candidate countries</p> <p>Institutional capacities in the countries concerned built up through IPA component I projects in 2012</p>
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none"> • Albania started to use the institutional capacities created to manage IPARD in implementation of the IPA Component I Project on investment support to agriculture; • Serbia has created institutional capacities to manage the IPARD funds, the IPARD Programme is adopted. 		

⁸¹ These indicators have been slightly precisised.

SPECIFIC OBJECTIVE 5

To contribute to the sustainable adaptation of the agricultural sector and rural areas and to the Beneficiary Countries' (Turkey, FYR of Macedonia, Serbia, Bosnia and Herzegovina, Montenegro, Albania) and Kosovo's preparation for the implementation of the *acquis communautaire* concerning the CAP and related policies post 2013 by:

1. improving market efficiency and implementation of Union standards,
2. preparatory actions for the implementation of the agri-environmental measures and local rural development strategies,
3. development of the rural economy.

This activity contributes to general objective 1: "To promote a viable and competitive agricultural sector which respects high environmental and production standards, ensuring at the same time a fair standard of living for the agricultural community".

This activity also contributes to the general objective 2: "To contribute to sustainable development of rural areas, in particular through:

- improving the capacity of the agricultural sector to meet new challenges,
- contributing to preserving the environment and the countryside,
- improving the quality of life in rural areas."

This activity also contributes to the general objective 3: "To promote the European agricultural sector in the world trade."

<i>Result indicators</i>	<i>Latest known result at the end 2011</i>	<i>Target</i>
External relation instruments' umbrella regulation post 2013 (including IPA) adopted	On-going	2013
IPA framework regulation post 2013 adopted	On-going	2013
IPA implementing regulation post 2013 adopted	On-going	2013
IPA budget management mechanism post 2013 adopted	On-going	2013
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none"> • Contribution to the negotiations on the external relation instruments' umbrella regulation post 2013 (including IPA); • Contribution to the negotiation and drafting of the IPA framework regulation post 2013; • Contribution to the negotiation and drafting of the IPA implementing regulation post 2013; • Contribution to the setting up of the rules regarding the IPA post 2013 budget management mechanism; • Contribution to the setting-up of transitional rules; • Drafting of guidelines for the implementation of measures under the post 2013 Instrument for IPARD; • Dissemination of information about the post-2013 policy for different stakeholders. 		

N.B. An objective "To contribute to the sustainable adaptation of the agricultural sector and rural areas and to the Beneficiary Countries' (Turkey, FYR of Macedonia, Serbia, Bosnia and Herzegovina, Montenegro, Albania) and Kosovo's preparation for the implementation of the *acquis communautaire* concerning the CAP and related policies post 2013 by 1/ improving market efficiency and implementation of Union standards, 2/ preparatory actions for the implementation of the agri-environmental measures and local rural development strategies, 3/ development of the rural economy" and associated indicators and targets have been introduced to cover the activities in relation to the Beneficiary Countries.

Main expenditure related outputs for specific objective 3 – IPARD

€million payment appropriations	Budget line (2012)					2012	
						Output (no.)	€ million*
IPARD 05 05 02	05 05 02						54.6
Total							54.6
Main expenditure-related outputs	Output (no)						
	Output 2007-2011			2007-2013*			
Improving market efficiency and implementation of Community standards (AXIS 1):							
Number of farm investments for restructuring and/or upgrading to community standards	10					16 433	
Number of farms introducing manure storage and handling facilities.	3					104 in TR 50 in HR	
Number of young farmers supported	5 in HR					25 % of all final beneficiaries in HR	
Number of supported producer groups	Implementation of this measure has not yet started					50 in TR	
Number of enterprises supported to restructure and/or to upgrade to community standards	5					1985	
Preparatory actions for the implementation of the agri-environmental measures and local rural development strategies (AXIS 2):							
Number of potential Local Action Groups (LAGs) established and supported	Implementation of AXIS 2 measures has not yet started				37 – 74 in TR 10 in HR		
Number of Local development strategies approved					1600 in TR 10 in HR		
Number of contracts with final beneficiaries to support agri-environmental measures					**		
Development of the rural economy (AXIS 3):							
Number of small and medium sized enterprises (SMEs) supported	Projects have been contracted but not paid, yet					4688	
Number of rural infra-structure projects supported	Projects have been contracted but not paid, yet					195 in HR	
Number of training actions supported. Number of people trained.						**	
Technical assistance							
Number of technical assistance actions supported	Implementation of this measure has not yet started					634	
Number of meetings of the monitoring committees	24					36	

*Output numbers for TR are for 2007-2013, for HR and FYR of Macedonia for 2007-2011. For Montenegro they will only be available after the IPARD Programme adoption.

**Support under these measures will most likely only start in the period. Consequently, these measures still need to be further developed in the programmes which will then also include the definition of output indicators.

Comments to be taken into account:

1. No output can be reported for TR for the time being as implementation of programmes has only started in the end of 2011. Implementation under some few measures has started in 2010 in HR and in FYR of Macedonia and under a few further measures in 2011 but outputs in terms of contracted and paid projects are only partially known, yet as the processes are still ongoing. Significantly more output results will be available in 2012. An exception to this rule is "meetings of the Monitoring Committees" which have already started in 2008.
2. Agri-environment measure under Axis 2 is for the time being not prepared for implementation. Therefore targets are not further developed in the programmes.
3. All indicators in the programmes will be subject of a thorough review during the on-going evaluation process.
4. Under Axis 3, the measure "training" is not yet part of the accreditation process during the initial implementation phase of programme implementation. The targets set for this measure still need to be further developed once it will be applied by the countries and integrated in the programmes.

ABB 06 – External Relations

Justification of the activity at EU level

Under Article 207 of the Treaty on the Functioning of the European Union, the Union has exclusive competence in international trade matters. To this end, the EU must be represented in international agricultural negotiations and fora, in order to attain the objectives of the Union's commercial and agricultural policy. Its role is therefore to promote the Union's agricultural interests in multilateral fora, notably the World Trade Organisation (WTO), to develop and implement the agricultural dimension of the Association Agreements, of the Free Trade Agreements (FTA) with Third Countries and a large number of specific agricultural trade agreements, and to manage trade and political relations with third countries for agriculture, including promotion or protection of Geographical Indications. In addition, agriculture and rural development play a key role in the enlargement process and in our cooperation programmes with partner countries.

Description of the activity

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

This activity covers participation and negotiations in various multilateral fora, including the WTO, OECD, G8 and G20, the FAO and other UN agencies⁸², as well as bilateral relations and negotiations with almost all industrialised countries developing countries and regions or key regional groupings and the African Union. It also comprises agricultural relations with European Neighbourhood countries and EU candidate or potential candidate countries, and coordination of the enlargement process in agriculture, including accession negotiations.

A comprehensive and more proactive external policy aimed at expanding agricultural trade, developing new agricultural markets – focused on emerging markets and high value added products – and integrating the agricultural economies of our neighbours, contributes to the "prosperity" initiative through improvements in competitiveness and growth.

⁸² WTO – World Trade Organisation, OECD - Organisation for Economic Co-operation and Development, , G8 - The "Group of Eight" - an international forum for the governments of [Canada](#), [France](#), [Germany](#), [Italy](#), [Japan](#), [Russia](#), the [United Kingdom](#) and the [United States](#); G20 includes G8 countries and Australia, Brazil, China, India, Indonesia, Mexico, Saudi Arabia, South Africa, Republic of Korea and Turkey; FAO - Food and Agriculture Organisation, World Food Programme, International Fund for Agricultural Development (IFAD) UN - the United Nations, including the UN Secretary General Task Force on the Global Food Security Crisis United Nations Conference on Trade and Development (UNCTAD).

Specific objectives and result indicators

SPECIFIC OBJECTIVE 1		
To promote the EU agriculture sector through 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), Food and Agriculture Organisation (FAO), the United Nations Commission on Sustainable Development and other UN fora, International Olive Council, International Sugar Organisation, International Grains Council and inputs to G8 and G20.		
This activity contributes to the general objective 3: "To promote the European agricultural sector in world trade."		
<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Successful conclusion of modalities on agriculture under the Doha Development Agenda (DDA)	Negotiations are currently at the stage of preparation of modalities, focussing on templates to facilitate the establishment of WTO Members' schedules	Conclusion of modalities in 2012; progress depends also on the positions taken by partner countries in these multilateral negotiations.
Successful conclusions of preparatory bilateral negotiations between EU and potential candidates for membership to the WTO	Expected to join in 2011: Russia, Samoa, Vanuatu Accessions in progress with respect to 29 candidate countries. No new members in 2009/2010.	Ongoing in 2012 (dependent on evolution of country – specific negotiations).
Successful solution with Latin American banana suppliers on the EU banana import regime or EU rebinding of the duty.	Bananas deal reached on 15 December 2009. Legislative implementation in 2010/2011 completed for the trade package (AGRI competence): Council/EP Regulation No 306/2011 of 9 March 2011; Council Decision (2011/194/EU) of 7 March 2011 on conclusion of the bananas agreement.	Ratification by all LA parties and implementation of the BAM (ACP support) legislation (DEV competence) in 2012
Successful conclusion of an agreement on the binding of EU tariffs for processed poultry in the WTO	Initialling of agreements 4 th quarter 2011 Notification to WTO on 11 June 2009 Council mandate received on 25 May 2009	Council Decision on signature and provisional application 1 st quarter 2012 (Agenda Planning reference 2010/AGRI/002); Council Decision on conclusion 2 nd quarter 2012 ⁸³
Participation in G20 process Agriculture Ministerial (June 23, 2011)	Approval by G20 Leaders in November of the Action Plan on food price volatility and agriculture.	Implementation of Plan, especially Agricultural Market Information System (market information and transparency)
Cooperation with the OECD	Participation (31 man-days) in: - 8 technical meetings - 6 working parties of the Committee for Agriculture (CoAg) - 1 CoAg meeting Main reports adopted: FAO-OECD Market Outlook, 2011-2020; 2011 Monitoring & Evaluation (all OECD countries + others); Evaluation of EU agriculture policy	2012 projected participation: - 9 technical meetings - 8 working parties - 2 CoAg meetings 2012 Activity report

⁸³ The initial targets have been reassessed as the negotiations with the exporting countries involved – Brazil and Thailand – on parameters for agreement are still ongoing.

Active cooperation, exchange of information and participation in IOC extra- and ordinary sessions and technical meetings	Cooperation and exchange of information on the basis of statistics (balance sheet). Participations in 2011: - 2 extraordinary sessions (February and June) - 8 technical meetings Coverage of world olive oil production in marketing year 2010/11: 95 % estimated balance	To maintain an active cooperation, exchange of information and participation in: - 2 (extra-) ordinary sessions - Approx. 8 technical meetings ⁸⁴
Active cooperation and exchange of information with ISO	Cooperation and exchange of information on the basis of: 2011 (January - November): - 6 MECAS studies - 10 Statistical Bulletins (monthly) - 10 Monthly Market Reports - 4 Quarterly Market Outlooks	To maintain an active cooperation and exchange of information on the basis of the deliverables by ISO for policy analysis and proposals, market analysis and technical notes.
Active cooperation and exchange of information with IGC	Cooperation and exchange of information on the basis of: 2010/11: - 11 Grain Market Reports (GMR) - 250 Daily Monitors - 52 Grain Market Indicators (GMI) - 52 Rice Market Bulletins - 52 Oilseeds Market Bulletins - 51 Ocean freight rate reports - 1 World Grain Statistics - 1 Grains Shipments - 1 Food Aid Operations	To maintain an active cooperation and exchange of information on the basis of the deliverables by ISO for policy analysis and proposals, market analysis and technical notes.
Active cooperation and exchange of information with OIV	Close cooperation and exchange of information, participation to OIV; meetings and seminars in 2011: - meetings in OIV: Commission Oenology, Commission Viticulture, Commission Health and Safety, Commission Economy and Law, Scientific and Technical Committee, General Assembly Symposium - meetings at Council level (Working Party on Wines and Alcohol) to prepare OIV meetings - Proposal for Council decision on a Union position at OIV General Assembly - amendment of Commission Regulation 606/2009 (Reg 53/2011)	To increase the cooperation with the OIV in obtaining for the EU an official status at OIV. To regularly incorporate new OIV oenological practices in the Union legislation. Same meetings foreseen for 2012 as in 2011 plus a modification of Regulation 606/2009, a proposal for Recommendation to the Council for a special status of the Union in the OIV (Agenda Planning reference 2012/AGRI/016) and a proposal for a Union position for the OIV General Assembly (Agenda Planning reference 2012/AGRI/019)
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none"> • Decisions flowing from a DDA agreement (AP 2010/AGRI+/027); • Council Decision for the conclusion of an agreement on the binding of EU tariffs for poultry in the WTO (AP 2010/AGRI/002); • G20 Action Plan on Food Price Volatility and Agriculture- follow up to recommendations, including on enhancing market price transparency and trade-related provisions (Agricultural Market Information System, amongst others). 		

N.B. Indicators "Cooperation with the OECD" and "Active cooperation and exchange of information with OIV" have been introduced in order to better reflect the activity in respect to the objective.

⁸⁴ Target has been updated in view of the 2012 agenda.

SPECIFIC OBJECTIVE 2

Improve market access for agricultural products by negotiating or revising bilateral agreements and by resolving trade irritants, advance protection for EU geographical indications in third countries and contribute to sustainable economic development in particular in developing countries.

This activity contributes to the general objective 3: "To promote the European agricultural sector in world trade."

<i>Result indicators</i>	<i>Latest known result (November 2011)</i>	<i>Target</i>
Bilateral negotiations leading to improved market access	19 ongoing or imminent negotiations: Mercosur, India, Singapore, Malaysia, Ukraine, Russia, Georgia, Armenia, Azerbaijan, Moldova, Libya, South Africa (within full SADC ⁸⁵ EPA) and comprehensive EPAs with EAC ⁸⁶ , ESA ⁸⁷ , Pacific, West and Central Africa, Canada, Tunisia (review). Scoping exercise with Japan on-going and leading to the launch of the FTA negotiations possibly in 2012. In addition, possible opening of negotiations with Iceland and ENP South partners in 2012.	To conclude agreements leading to improved market access for EU products, and contribute to sustainable economic development in developing countries ⁸⁸
Bilateral market access negotiations and agreements concluded ⁸⁹	13 recently concluded negotiations, including with Switzerland, Palestine, Morocco, Israel, Peru, Colombia, Central America, Korea. <i>Comparison of EU export values to Korea for 3rd quarters (July-September) of years 2010 and 2011:</i> <i>Milk and cream: +938%, Raw fur skins +95%</i> <i>Food preparations +72%, Cheese and curd +37%, Wine +28%, Chocolate +13%, Pig meat +11%.</i> Agreement on additional concession in agricultural trade with Norway is about to be concluded (Consent of the European Parliament given, conclusion by the Council was concluded in November 2011 and will enter into force on 1 January 2012.	To seek to maintain and wherever possible improve market access
Institutional dialogues on agriculture opened with third countries and meetings on agriculture in the framework of Agreements or general Regulatory dialogues ⁹⁰	16 existing dialogues (Australia, New Zealand, Canada, Japan, China, India, Russia, Ukraine, Switzerland, Morocco, Egypt, Israel, Jordan, Lebanon, Tunisia, Algeria). Innumerable regular or ad hoc dialogues and meetings on agriculture with key trading partners.	To maintain dialogue leading to better mutual understanding of agricultural policy in general and agricultural trade policy in particular. Where relevant, dialogues to maintain or improve market access for EU

⁸⁵ Southern African Development Community.

⁸⁶ East African Community.

⁸⁷ Eastern and Southern Africa.

⁸⁸ This target has been slightly precised in view of the scope of the 2012 negotiations.

⁸⁹ The indicator has been slightly reformulated in order to diversify from the indicator "Bilateral negotiations leading to improved market access".

<p>Bilateral trade irritants removed/ reduced</p>	<p>Canada: cheese standards: following last minute modifications of new Canadian rules, the impact on EU cheese exports appears to be very small. All surtax sanctions on imports of certain EU products have been repealed, effective 29 July 2011 following the EU/CAN beef hormone Memorandum of Understanding.</p> <p>US: "carousel" of duties on certain EU exports to the US avoided and all sanctions removed in May 2011 via the EU/US beef/hormone agreement. Mutual recognition of organic production standards agreed in 2011. To be applicable early 2012.</p> <p>Ukraine: cancelling of export quotas on wheat and barley. Quotas on export of rye and buckwheat (1,000 tonnes for each) have been retained.</p> <p>Russia: Grain export ban lifted 1 July</p> <p>Algeria: Ongoing negotiations on compensation after unilateral suspension of trade concessions by Algeria in 2010.</p> <p>Argentina: Informal import restrictions of food products.</p> <p>Peru: countervailing duties on olive oil: appeal in progress.</p> <p>Mexico: olive oil, bovine products, imports procedures for pig meat breeding pigs and pig semen, and for fruit and vegetables.</p> <p>India: import restrictions on poultry, pork and fruits.</p> <p>Russia: customs union with Belarus and Kazakhstan: improved understanding on functioning and prevented negative impact to bilateral trade, SPS issues: supported SANCO efforts in preventing ban to frozen poultry export.</p>	<p>Avoid trade irritants, eliminate them or reduce their impact</p>
<p>Bilateral agreements on protection of geographical indications concluded</p>	<p>7 concluded: Agreements initialled –Moldova 18 April 2011, FTA with Republic of Korea, agreement initialled in March 2011 within Association Agreements (Central America) or Free Trade Agreements (Colombia and Peru), agreement signed with Georgia 14 July 2011. GIs agreement with Switzerland/Liechtenstein concluded (20 October 2011) EU-Korea FTA: 165 EU GIs are protected in Korea, with a possibility to have additional ones protected in the future. Similar protection expected for GI's under the future agreements with Central America, Peru and Colombia. Georgia, Moldova and Swiss agreements protect virtually all 3000 + EU GI's.</p> <p>1 ongoing: China: negotiations launched in March 2011</p>	<p>Improved protection for EU geographical indications</p>
<p>EU share of total OECD imports of agricultural products from developing countries</p>	<p>2010: 48.6 % 2009: 45.9 % 2008: 54.0 % 2007: 52.4 % 2006: 49.4 % 2005: 48.0 %</p>	<p>To maintain the EU as the world's number 1 importer of agricultural products from developing countries</p>

⁹⁰ DG AGRI is chef de file for the institutional dialogues. This indicator and appropriate target have been slightly precised in view of the scope of the 2012 negotiations and cover as well a former indicator "Meetings relating to agriculture in the framework of general regulatory dialogues, specific institutional dialogues on agriculture or in implementation of agreements (e.g. Joint Committees)."

Main outputs in 2012 (including policy outputs when relevant)

- Interinstitutional follow-up of Council Decision approving the EC-Korea FTA (DG TRADE chef de file). The FTA has been signed on 6 October 2010 – it entered into force on 1 July 2011;
- Interinstitutional follow-up of Council Decision on the conclusion of an EU – Morocco agreement concerning mutual liberalisation on agricultural products (AP 2008/AGRI/028);
- Interinstitutional follow-up of Council Decision on the conclusion of a EU – Georgia agreement on the protection of geographical indications (AP 2008/AGRI/025);
- Council Decision on the conclusion of a EU – Moldova agreement on the protection of geographical indications (AP 2008/AGRI/026);
- Council Decision on the conclusion of EU – Israel agreement concerning further liberalisation of trade in agricultural products, processed agricultural products and fish and fishery products- technical modifications (AP 2010/AGRI+/035);
- Interinstitutional follow-up of Decision no. 1/2009 of the EU-South Africa Cooperation Council of 16 September 2009 on the amendment of the Agreement on Trade, Development and Cooperation regarding certain agricultural products (OJ L 265 of 9.10.2009);
- Interinstitutional follow-up of Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 617/2009 opening an autonomous tariff quota for imports of high-quality beef (AP 2011/AGRI/014).

SPECIFIC OBJECTIVE 3

To prepare enlargement in the area of Agriculture and Rural Development

This activity contributes to the general objectives 1, 2 and 3.

Objective 1: "To promote a viable and competitive agricultural sector which respects high environmental and production standards, ensuring at the same time a fair standard of living for the agricultural community."

Objective 2: "To contribute to sustainable development of rural areas."

Objective 3: "To promote the European agricultural sector in world trade."

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Timely contribution to the Commission's work in the area of enlargement	<ul style="list-style-type: none"> - Accession negotiations with Croatia concluded on 30 June 2011. - COM recommended opening negotiations with Montenegro. - COM's positive Opinion on candidate status for Serbia. - Stabilisation and Association Agreements signed with all Western Balkan countries; - Accession negotiations with Turkey in chapter 11 are frozen since December 2006; work continues on meeting the technical opening benchmarks for this chapter. - Albania applied for EU Membership in April 2009 - Accession negotiations with Iceland opened in July 2010, screening report adopted by the Council in 2011 and monitoring of fulfilment of opening benchmark. 	<p>100 %</p> <p>All contributions to Commission's activities concerning enlargement in the area of agriculture and rural development delivered on time.</p> <p>Monitoring of Croatia's' preparation in the pre-accession period and insertion of Croatia in legislative CAP package.</p> <p>Monitoring of Iceland's fulfilment of opening benchmark.</p> <p>Preparation of screening report for Montenegro.⁹¹</p>
Timely assessment of Candidate and Potential candidate countries in the preparation for accession to the EU in agriculture and rural development	2011 Progress Reports on the state of preparedness of candidate and potential candidate countries in chapter 11 adopted on 12 October 2011.	<p>100 %</p> <p>Preparation of candidate and potential candidate countries for EU membership in the area of agriculture and rural development.</p> <p>Contribution to the Progress Report and Strategy Paper 2012- evaluation progress of candidate and potential candidate countries in the preparation for EU accession</p>
Successful conclusion of trade agreements with enlargement countries	Trade agreements in place with all enlargement countries except Kosovo. Revision of wine protocol for former Yugoslav Republic of Macedonia started in 2008.	Conclusion of new wine protocol with former Yugoslav Republic of Macedonia.
Improvement of market access and successful management of the trade relations with enlargement countries, including efficient tackling of trade irritants	Trade irritants: - Turkey. Beef ban. Positive developments in 2010 and 2011 but still not satisfactory.	Lifting of the beef ban

⁹¹ The target has been adapted to 2012 agenda.

Main outputs in 2012 (including policy outputs when relevant)

- Monitoring of Croatia's preparation in the pre-accession period;
- Legislative work to insert Croatia in the CAP legislative proposals;
- Preparation of screening report for Montenegro;
- Contribution to the Progress Report and Strategy Paper 2012 - evaluation progress of candidate and potential candidate countries in the preparation for EU accession;
- Assessment of fulfilment of conditions to open negotiations with Iceland and Turkey;
- Advice to candidate and potential candidate countries in the transposition of the EU acquis, setting up appropriate administrative structures and strengthening administrative capacities to implement the EU acquis in agriculture and rural development;
- Contribution to the programming of the Instrument for Pre-accession Assistance.

Main expenditure related outputs

Main expenditure-related outputs for objective 1: To promote international cooperation and contribute to the development and the stability of the olive oil, sugar and grains markets	Budget line (2012)	2012	
		Output (no.)	€ million*
Number of votes held by the EU in the IOC	05 06 01	692	5.565
Number of votes held by the EU in the IS0	05 06 01	549	0.405
Number of votes held by the EU in the IGC	05 06 01	386	0.390
Total			6.360

ABB 07 – Audit

Justification of the activity at EU level

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.

Description of the activity

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.

Agricultural expenditure is mostly based on a shared-management system where both the Member States and the Commission have responsibilities. The legal framework is laid down in Council Regulation (EC) No 1290/2005 on the financing of the CAP, applicable from financial year 2007, 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 financial clearance and conformity clearance. Both types of audits 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 SAPARD and IPARD programmes.

On the basis of Article 34 of Council Regulation (EC) No 1290/2005, financial corrections under conformity clearance decisions as well as irregularities are designated as revenue assigned to the financing of EAGF and EAFRD expenditure.

Finally, the activity comprises audits of direct expenditure as well as the coordination of the DG AGRI's relations with the European Anti-Fraud Office (OLAF).

Under the IACS (Integrated Administration and Control System), the LPIS-GIS (Land Parcel Identification System – Geographic Information System) and the on-the-spot checks are key elements to ensure that area-based direct aids paid to farmers are properly administered and controlled by the Member States prior to payment and declaration to the Fund. In order to assist the Member States carrying out the on-the-spot checks on aid application, satellite imagery is made available to the national authorities allowing them to determine the area of agricultural parcels. A common source of data at EU level is more efficient, in particular as it ensures an equality of treatment. The availability of satellite data as a means of parcel identification acts as a supplementary safeguard against fraudulent claims by farmers and as an additional control element for the Member States' authorities. This imagery should also serve to update the information in the LPIS-GIS.

Specific objectives and result indicators

SPECIFIC OBJECTIVE 1

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.

This activity contributes to achieving high standards in implementing all general objectives set out in this Management Plan.

<i>Result indicators</i>	<i>Latest known result (state of play: 25/11/2011)</i>	<i>Target 2012</i>
% of audit missions carried out	88 % of number of audit missions planned for 2011 carried out	100 % of number of audit missions planned for 2012
Timely completion of audit reports and observation letters to Member States	Average of around 56 days to finalise audit reports, around 71 days to finalise observation letters in working language and 90 days in national language in 2011 All reports for audits carried out in 2010 were completed by March 2011.	Reduce average to finalise - audit reports to below 60 days - observation letters in working language to 65 days - observation letters in national language to below 90 days Finalise all reports and observation letters for 2011 audits by March 2012.
Closure of audits carried out in 2009 and before ⁹²	- 64.8% (212 out of 327) of audits carried out in 2009 are closed. - 74.7% (231 out of 309) of audits carried out in 2008 are closed ⁹³ . - 31 audits carried out in 2007 and 7 audits carried out in 2006 and before remain to be closed remain to be closed.	Closure by 31 December 2012 of at least 95 % of the audits carried out in 2008 and of at least 85% of the audits carried out in 2009 Closure by 31 December 2012 of 100 % of the audits carried out in 2007 and before
Reflection on the future of the clearance of accounts system	Directorate J reflection seminar on 9.6.2011, minutes established and circulated, follow-up note prepared.	Implementation of the actions agreed in the follow-up note in accordance with the schedule agreed in the note ⁹⁴ .

Main outputs in 2012 (including policy outputs when relevant)

- Financial clearance of the accounts presented by the paying agencies of Member States and Applicant Countries according to the financial clearance procedures provided for in EU legislation, and exclusion of expenditure which does not comply with EU rules:
 - Adoption of Commission decision on Member States' paying agencies by 30 April 2012;
 - Adoption of Commission decision on Member States' and SAPARD paying agencies whose annual accounts were disjoined in 2008-10 by the end of 2012;
- Prepare conformity clearance procedures and prepare corresponding decisions, covering relevant cases, in March (Decision 38), July (Decision 39), and November 2012 (Decision 40);
- Prepare decisions on conferral of management regarding IPARD;
- Propose improvements to the system for gaining reasonable assurance on the legality and regularity of the underlying transactions.

N.B. Former common Specific objective for the whole ABB activity has been split into two Specific objectives in order to better reflect scope of each of these objectives. The result indicator "Contribution to the design of the general management and control framework for the post-2013 period" has been removed as obsolete and replaced by two new indicators under specific objective 2: "Participation in the discussions in the Council and European Parliament on the Commission proposals for the post 2013 CAP" and "Contribution to the drafting of the implementing legislation for the post 2013 CAP".

⁹² Indicator and target have been adapted to 2012 plan.

⁹³ Calculated as percentages comparing still ongoing audits with total number of 'ongoing', 'closed' and 'recours' audits, excluding those which are 'cancelled', 'postponed' or 'deleted'.

⁹⁴ Target has been adapted to 2012 plan.

SPECIFIC OBJECTIVE 2

To contribute to improving EU legislation concerning Member States and Applicant Countries' management and control systems for agricultural expenditure.

This activity contributes to achieving high standards in implementing all general objectives set out in this Management Plan.

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Participation in the discussions in the Council and European Parliament on the Commission proposals for the post 2013 CAP	Technical level meetings took place in November/December 2011.	According to the schedule set by the Council and European Parliament.
Contribution to the drafting of the implementing legislation for the post 2013 CAP	N/A	According to the schedule set by the hierarchy.
Other improvements to EU legislation concerning Member States' and Applicant Countries' management and control systems for agricultural expenditure	Regulation (EC) No 65/2011 on management and control rules for rural development, replacing Regulation (EC) No 1975/2006	In accordance with the instructions of the hierarchy.
Timely information to market and rural development units about problems regarding the controllability of aid measures, notably in the areas of rural development, cross-compliance and Article 68 of Regulation (EC) No 73/2009	Until end November 2011: 16 notes were sent to rural development units. Quarterly discussions were held on operational issues between Directorate J and the Rural Development Directorates.	One month after completion of the audit report
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none"> • Contribute to the design of the general management and control framework for the post-2013 period; • Improvements to EU legislation concerning Member States' and Applicant Countries' management and control systems for agricultural expenditure; • Update and amend recommendations, manuals and guidelines, where necessary. 		

N.B. The new specific objective 2 "To contribute to improving EU legislation concerning Member States and Applicant Countries' management and control systems for agricultural expenditure." contains four result indicators. First two result indicators "Participation in the discussions in the Council and European Parliament on the Commission proposals for the post 2013 CAP" and "Contribution to the drafting of the implementing legislation for the post 2013 CAP" replace the obsolete indicator "Contribution to the design of the general management and control framework for the post-2013 period". Third result indicator "Other improvements to EU legislation concerning Member States' and Applicant Countries' management and control systems for agricultural expenditure" has been moved from the previous Specific objectives and slightly reformulated. Its target has been adapted to 2012 plan. The last result indicator "Timely information to market and rural development units about problems regarding the controllability of aid measures, notably in the areas of rural development, cross-compliance and Article 68 of Regulation (EC) No 73/2009" was only moved to this new Specific objective 2 without any modification.

Main expenditure related outputs

Main expenditure-related outputs	Budget line (2012)	2012	
		Output (no.)	€ million
Number of applications controlled by satellite	05070102	381 000	6.5
Accounting Clearance decisions (negative expenditure)	05070106	1	-200.0
Others			0.8
Total			-192.7

5. Specific objectives for horizontal activities

ABB 08 – Policy Strategy and Coordination

Justification of the activity at EU level

"Policy Strategy and Co-ordination" is a horizontal activity covering the conception, development, and implementation of the CAP. Its tasks form an integral part of the management and development of the CAP, and must therefore by their nature be ensured at Union level.

Description of the activity

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. In 2009, the DG AGRI put in place an internal mechanism in order to deal with the ordinary legislative procedure in an effective and efficient manner. Furthermore, the DG AGRI elaborated internal working arrangements to centralise all procedural and coordination aspects of the DG AGRI's contacts with other EU institutions. A major activity of the DG AGRI will be the negotiation of the CAP-reform with the other institutions which will require substantial efforts. The continued dialogue with the agricultural non-governmental organisations will play an increasingly important role in order to harvest comments to enhance the collective intelligence. 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 the 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), economic analysis of international trade policy, impact assessments and evaluation of present policy instruments;
- Co-ordination with other policy areas;
- Legal affairs, simplification and decision making procedures, state aid/competition and infringements, control of implementation of the acquis, complaints;
- 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 3) 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 subventions to those parties carrying out CAP information actions;
- EAGF operational technical assistance.

On 12 October 2011, the Commission presented a set of **legal proposals** designed to make the CAP a more effective policy for a more competitive and sustainable agriculture and vibrant rural areas. These proposals also encompass the establishment of a common monitoring and evaluation framework (CMEF) for measuring the performance of the CAP measures. A stakeholder conference was held on 20-21 September 2011 as a launch event. Following this conference several working groups devoted considerable efforts to the preparation of this framework. A research working group will coordinate the work and reflections on research and the interface with innovations in agriculture. All these working groups operate under the aegis of the DG AGRI Task Force on monitoring, evaluation and research for the CAP post 2013.

Specific objectives and result indicators

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 below⁹⁵

(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.

This activity contributes to achieving all three general objectives.

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Public awareness of CAP	In 2011, 92% citizens support the idea of local markets; 77% of greening; 62% in favour of transparency on CAP funds (Source: Eurobarometer).	Maintain high support for the main ideas of CAP reform ⁹⁶
Number of page visits on AGRI Europa website	2011: 4,2 mio 2010: 4.1 mio. 2009: 6.5 mio. 2008: 4.5 mio. 2007: 4.2 mio. 2006: 4.0 mio.	Maintain interest in this site, avoid a decrease and if possible increase the number of visits
Awareness of the importance of agriculture and rural areas	90 % in 2009 88 % in 2006 Europeans think that agriculture and rural areas are important to the future of Europe	Maintain this level of awareness
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none"> • Establishment of a European network of AGRI journalists; • Presentation of the legislative proposals for CAP 2014-2020 in 27 Member States; • Participation/organisation of fairs in Brussels/Member States; • Eurobarometer survey on CAP issues; • Financial support to third parties' communication projects on CAP (grants). 		

⁹⁵ The Specific objective 1 has been reformulated updating the new main messages to target audience.

⁹⁶ Target has been adapted to new priorities. Following the publication of legal proposals of the CAP post 2013, focus will be on the public opinion of various aspects of the reform.

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 analyses, studies of socio-economic, political or quantitative nature and coordination of research activities⁹⁷

This activity contributes to achieving all three general objectives.

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target</i>
Timely contribution to decision making process for the CAP post 2013 ⁹⁸	- legal proposals on the future of the CAP accompanied by impact assessment documents - publications (among which on internet: briefs, contributions for public debate on CAP, price and market monitoring, statistics)	100 % timely deliveries: - supporting policy and economic analysis (including update of parts of the IA) - publication of key documents of the future of the CAP - provision of documents on the future Research policy for agriculture
Representativeness of information about the EU farm economic situation collected by the Farm Accountancy Data Network (FADN)	Observed coverage of EU agricultural production: - 97 % coverage of the Standard Gross Margin in 2008 - 92 % coverage of the Utilised Agricultural Area in 2008 - number of farms: 80 483 in accounting year 2009	90 % coverage of the EU agricultural production as expressed in Standard Gross Margin/ Standard Output 90 % coverage of the Utilized Agricultural Area Number of farms in accounting year 2010: 92 538
Adequate knowledge of Farm's structure ⁹⁹	Preliminary results of Agricultural Census 2010 published by Eurostat	Final results of Agricultural Census 2010 in 2012 ¹⁰⁰
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none"> • Annual statistical reports on "Agriculture in the EU" and "Rural Development in the EU"; • Monthly notes on food price development. 		

⁹⁷ The Specific objective 2 has been slightly reformulated in order to include also the coordination of research activities as an important activity facilitating decision making on strategic choices for the CAP and supporting other activities of the DG AGRI.

⁹⁸ A result indicator "Timely contribution to decision making process for the CAP post 2013" has been slightly reformulated in order to better reflect the activity. The target has been adapted to 2012 plan.

⁹⁹ The timing of the agricultural census and the farm structure surveys (FSS) is fixed in Council Regulation 571/88 (up to FSS 2007) and Regulation (EC) No 1166/2008 of the European Parliament and the Council (for FSS 2010 onwards) and this survey is conducted usually every five years.

¹⁰⁰ A target for the result indicator "Adequate knowledge of Farm's structure: Number of holdings" has been adapted to 2012 plan.

SPECIFIC OBJECTIVE 3

To ensure smart regulation through simplification, impact assessment and evaluation, and analytical support to policy conception and to international negotiations

This activity contributes to achieving all three general objectives.

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target</i>
Degree of implementation of the annual evaluation plan	100 % ¹⁰¹	100 % of evaluations completed/launched according to the initially set timetable: Number of new evaluations launched: 5 Number of evaluations completed:6
Degree of implementation of the annual studies plan	<i>New indicator</i>	Number of new studies launched: 6 Number of studies completed: 6
Proportion of simplification measures listed in the Commission Simplification Rolling Programme carried out	Status 7 November 2011: 100 % (1 of 1 measure; also the project on voluntary beef labelling, part of SRP 2010 and in 2011 included in SANCO initiative, has been completed) 2010: 50 % (other 50 % rolled over to 2011) ¹⁰² 2009: 100 % 2008: 90 %	At least 80 % of simplification measures listed for the year carried out
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none">• Cross-compliance: to simplify the procedure for follow-up checks and to reduce the rate of checks for de minimis cases and for minor infringements to 20% on the basis of a risk analysis;• Background analysis for trade negotiations.		

N.B. A new result indicator "Degree of implementation of the annual studies plan" has been introduced in order to better reflect the activity.

¹⁰¹ Situation at 31/12/2011.

¹⁰² The CWP 2010 was only adopted in March 2010, which helps to explain the 50% rollover to 2011.

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

This activity contributes to achieving all three general objectives.

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Proportion of positive opinions from the LS in inter-service consultations launched by DG AGRI	100 % to 30 September 2011	>90 % of consultations
Rapidity of response on signataires submitted for paraphe on legal issues and on notes submitted asking for legal advice	2011: 93,93% from July until October (data not available for the first semester) 2010: 94.5 %	>85 % dealt with within deadlines laid down in the Vademecum fixing the rules for legal consultation

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).

This activity contributes to achieving all three general objectives.

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Timeliness of treatment of all notifications of state aid cases received	100 %	100 %
Appropriate treatment of all new infringement / complaint cases notified ¹⁰³	100 %	100 %
Timeliness of treatment of all new draft technical standards received	100 %	100 %
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	100 %	90 %

¹⁰³ Refers to both – sound legal analysis and observation of procedures.

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.

This activity contributes to achieving all three general objectives.

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Percentage of elements of the Strategic Planning and Programming (SPP) cycle delivered on time	100 % (All elements delivered on time up to 10.11.2011)	100 %
Delivery rate (adoption by the College) CWP – strategic and priority items Other Agenda Planning (AP) proposals	Situation 12 December 2011: 2011 CWP: - ¹⁰⁴ Other AP proposals: 77 %	100 % implementation
Awareness by staff of the units' objectives set out in DG AGRI Management Plan ¹⁰⁵	2010: 82 % of staff aware or partly aware (52 % aware and 30 % partly aware)	Maintain the awareness of staff and, if possible, increase
Regular (at least once a quarter) and effective reporting to the Director General on the progress of the implementation of the Commission's Work Programme (CWP) and of the other important legal proposals	100 %	To report to the Director General at least once every quarter and each time it is requested and/or necessary
Timely handling of procedures including the ISC	100 %	100 %
Number of delays in DG AGRI replies to ISC	1/1/-30/09/2011: 148 out of 1554 (9.5 %) 2010: 289 out of 1932 (15.4 %) 2009: 250 out of 1559 (16 %) 2008: 377 out of 1901 (19.8 %) 2007: 679 out of 2617 (25.9 %)	Steady reduction
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none"> Activity Statement (part of the Draft Budget), Commission Working Programme (CWP), Management Plan (MP), Annual Activity Report (AAR). 		

¹⁰⁴ No initiative MFF was included in the CWP 2011.

¹⁰⁵ Results of the interactive voting exercise with randomly selected staff of DG AGRI on Internal Control Standard 5 – objectives and performance indicators.

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 & follow-up on the ordinary legislative procedure).¹⁰⁶

This activity contributes to achieving all three general objectives.

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Questions/requests from other Institutions, including Parliamentary Questions, replied to within the deadline	From 01.01.2011 to 24.10.2011, 1063 EP questions (425 lead/638 associated), 39 requests from national parliaments, 53 MEP letters to the Commissioner and 10 Petitions (1 lead/9 assoc.) were dealt with. 1.1 to 24.10.2011: > 99 % replies within deadline	Maintain the present high rate of replies within deadline
Participation of Commissioner and DG AGRI's officials in plenary sessions and committee meetings of the EP and meetings of the Economic and Social Committee as well as the Committee of Regions ¹⁰⁷ .	Commissioner's participation from 1.1. to 10.11.2011: - 6 times in EP plenary and 5 times in COMAGRI. Plenaries: DG AGRI's participation in 14 plenaries and in 15 meetings of COMAGRI - EESC : in 2011 the Commissioner has so far attended one EESC-organised conference (23.5.) and a plenary meeting (27.10.) - CoR : Commissioner's participation in plenary: 1 (27.1.). Participation of DG AGRI in EESC and CoR meetings: 41 and in the CoR: 9	For politically sensitive files Commissioner's presence is expected for plenary and committees in EP as well as in EESC and CoR.
Participation of Commissioner or Commission officials in meetings of the Council, the SCA and working parties, as well as attendance to trilogues.	Commissioner's participation from 1.1. to 10.11.2011: - Council meetings: 12 times - trilogues: 0 times DG AGRI's participation by 25.10.: - Council : 12 times - SCA : 25 times - WPs : 49 times - trilogues : 15 times	The Commissioner represents the Commission in Council meetings and, in politically sensitive, trilogue meetings.
Advisory group meetings with agricultural NGOs	1.1.2011 to 10.11.2011: 67 with 18 meetings planned for the rest of 2011.	As required

¹⁰⁶ The Specific objective 7 has been reformulated in order to precise with which partners the DG AGRI maintains dialogue and cooperation as well as on which kind of meetings it participates.

¹⁰⁷ Each participation of the Commissioner requires extensive preparatory work for DG AGRI.

Participation of DG AGRI services/Commissioner in meetings on the EP Budgetary Control Committee (CONT) and of the Council working parties/committees dealing with the Court's special reports and the annual report (AGRIFIN and COMBUD)	<p>CONT(up to 31.12.2011):</p> <p>- 6 times: once the Commissioner in the context of the 2010 discharge procedure, and 5 times DG AGRI services for exchange of views on special reports of the Court of Auditors.</p> <p>AGRIFIN (up to 11.11.2011):</p> <p>- 7 times in the context of the discussion on special reports of the Court of Auditors.</p> <p>Annual participation in the Council Budgetary Committee (COMBUD) in the context of the discharge 2009.</p>	As required
<p>- Number of open EP and Council discharge recommendations as well as ECA recommendations addressed to AGRI in RAD</p> <p>- Number of open recommendations in RAD addressed to AGRI that has expired a deadline</p>	<p>21 (situation 31.10.2011)</p> <p>0 (situation 31.10.2011)</p>	<p>As low as possible (as that figure depends on the number of recommendations issued)</p> <p>0</p>

N.B. A new indicator "Participation of Commissioner or Commission officials in meetings of the Council, the SCA and working parties, as well as attendance to trilogues" has been introduced in order to better reflect activity in respect to the objective. A new result indicator "Participation of DG AGRI services/Commissioner in meetings on the EP Budgetary Control Committee (CONT) and of the Council working parties/committees dealing with the Court's special reports and the annual report (AGRIFIN and COMBUD)" has been introduced in order to better reflect current situation. A result indicator "Advisory group meetings with agricultural NGOs" has been newly introduced in order to better reflect DG's activities. The indicator "% of Court of Auditors recommendations accepted and of AGRI commitments followed up in FORAgri in a timely manner" is no longer relevant as DG AGRI database FORAgri will be phased out by 31.12.2011. The follow up to the discharge and to the European Court of Auditors' recommendations will be ensured via the Commission-wide RAD database.

Main expenditure related outputs

Main expenditure-related outputs (Objective 1) ¹⁰⁸	Budget line (2012)	2012	
		Output (no.)	€ million
Grants awarded to third party organisations to implement actions to improve the level of understanding of the CAP among the EU citizens	05 08 06	10-20	3.3
Grants networking	05 08 06	7	0.3
Media Networking	05 08 06	20	0.6
Stakeholders:			
Fairs	05 08 06	10	1.7
Conferences	05 08 06	1	0.4
Actions targeting general public/CAP reform/50 years of the CAP			
Events	05 08 06	3	1.0
Publications/Audio-Visual	05 08 06	6	0.6
Web	05 08 06	1	0.1
Total	05 08 06		8.0

Main expenditure-related outputs (Objective 2 and 6)	Budget line (2012)	2012	
		Output (no.)	€ million*
Data collection on EU FADN data: holdings	05 08 01	87 876	14.41
Data collection on structure of agricultural holdings: holdings	05 08 02	13 600 000	20.24
Technical assistance	05 08 09		1.70
Other			1.46
Total	05 08		37.81

* This excludes budget item 05 08 06 for which the main expenditure related outputs are included in the first table above (see Objective 1 above) and the pilot project relating to exchanging best practice for cross compliance (budget item 05 08 11) and coordinate research on the use of homeopathy and physiotherapy in livestock farming (budget item 05 08 12).

¹⁰⁸ The outputs and the detailed breakdown of the appropriations for budget line 05 08 06 differ from the information in the Activity Statements, as the information presented above reflects the latest and updated communication strategy. The total appropriations for the budget line concerned remain unchanged.

AWBM 01 – Administrative support

Description of the activity

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 also provides internal audit services within the DG AGRI. Audit services are designed to provide assurance of the soundness of internal controls and of financial and operational management as well as accounting and reporting systems.

Specific objectives and result indicators

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.		
This activity contributes to achieving all three general objectives.		
<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
% of budget execution (commitments) with respect to budget appropriations	99.8 % (for EAGF: provisional execution on 15.10.2011, for EAFRD: forecasted execution on 11.11.2011)	99 %
% of budget execution (payments) with respect to budget appropriations	99.6 % (for EAGF: provisional execution on 15.10.2011, for EAFRD: forecasted execution on 11.11.2011)	99 %
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none"> • Establishment of the 2013 Agricultural Budget (including the Draft Budget and Amending Letter); • Assessment of the Budgetary impact of draft policy initiatives and legal acts of the CAP; • Reporting on current and previous budget years (including Early Warning System report and Budget Forecast Alert); • Reliable and timely production of the accounts of DG AGRI. 		

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.

This activity contributes to achieving all three general objectives.

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Implementation of the relevant parts of the Schéma Directeur (ICT Investment Plan of DG AGRI).	86 % (October 2011) ¹⁰⁹	95 %
Servers' availability (averaged over one year)	>99 % (October 2011) ¹¹⁰	≥99 %
Maximum time to: - resolve the problems related to standard IT applications/infrastructures: - appropriately escalate the problem if its resolution depends on intervention of non-AGRI entities (ex. DIGIT)	October 2011 ¹¹¹ : Target has been met for: - Critical: 100% ¹¹² - Urgent: 96,77% - Normal: 99,62% - Low: 98,57% - Scheduled: 100%	- Critical: immediate - Urgent: 1h30' - Normal: 2h30' - Low: 2 days - Scheduled: on schedule Target should be met for at least 92 % of calls
Information Systems User Satisfaction ¹¹³	89 % (end 2010 – Yearly enquiry exercise takes place in December)	>/= 90 % and maintain at this level
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none"> • Schema Directeur; • High quality Information Systems for DG AGRI. 		

¹⁰⁹ Based on financial execution.

¹¹⁰ Some servers' availability issues occurred during the reporting period, but the target was reached in spite of these events.

¹¹¹ Based on figures provided by the official EC call management tool (SMT).

¹¹² There were only 4 critical calls in this period. One of them concerned the problem that our users had to change their password remotely (via token) when the expiration was activated for everybody for security reasons. The problem was immediately signalled to DIGIT, but it took a certain period of time before a solution was found at central level and the call could be closed.

¹¹³ The result indicator "Information Systems User Satisfaction" has been precised.

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.

This activity contributes to achieving all three general objectives.

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>												
Average vacancy rate of available permanent posts	1.11.2011: 5.2 % 2010: 5.2 % 2009: 5.4 %	Vacancy rate < or = Commission average (September 2011 5.6 %)												
HR capacity utilisation ¹¹⁴	September 2011: 91.8%	>= 90%												
Management positions held by women	1.11.2011: 30.2 % MM and 16.7 % SM 31.12.2010: 25.9 % MM and 18.8 % SM 31.12.2009: 25 % MM and 13.3 % SM	At least Commission average (latest known result: 2010 23.2 % middle management (MM); 21.1 % senior management (SM))												
Mobility rate	1.11.2011: 20.8% 2010: 20 % 2009: 18.3 % 2008: 20 %	Keep target at 20 % +/- 2%												
Staff satisfaction with ¹¹⁵ : - job ¹¹⁶ - the quality of HR management - private/professional life balance	<table border="1"> <thead> <tr> <th>HR survey 2010</th> <th>AGRI survey 2011</th> <th>2007</th> </tr> </thead> <tbody> <tr> <td>70% (Com: 68%)</td> <td>84%</td> <td>80%</td> </tr> <tr> <td>44% (Com: 43%)</td> <td>80%</td> <td>n.a.</td> </tr> <tr> <td>78% (Com: 71%)</td> <td>78%</td> <td>76%</td> </tr> </tbody> </table>	HR survey 2010	AGRI survey 2011	2007	70% (Com: 68%)	84%	80%	44% (Com: 43%)	80%	n.a.	78% (Com: 71%)	78%	76%	- Equal or better results than Commission average in 2010 staff satisfaction survey of DG HR - Equal or better results than 2006/07 survey on workload and career development in DG AGRI
HR survey 2010	AGRI survey 2011	2007												
70% (Com: 68%)	84%	80%												
44% (Com: 43%)	80%	n.a.												
78% (Com: 71%)	78%	76%												
Budget execution global envelope (commitments) ¹¹⁷	9.11.2011: 84.5% 2010: 99 % 2009: 96.7 %	95 % by year end												

Main outputs in 2012 (including policy outputs when relevant)

- Strategic Training Framework and Training programme;
- Implementation of revised mobility policy Support and advice to career development & mobility;
- Recruitment of personnel, in respect of targets for staff from the New Member States;
- Implementation of rights and obligations of staff;
- Support to management regarding the revised CDR;
- Office Space Plan;
- Implementation of the administrative budget (global envelope).

N.B. A new result indicator "HR capacity utilisation" has been introduced in order to give overview on the effective use of the workforce.

¹¹⁴ (Posts available + Contract agents) – (vacant posts+unused posts+part-time loss in FTE+parental/family leave loss in FTE+sickdays in FTE+CCP/secondments < 6 months in FTE).

¹¹⁵ The DG HR survey (305 AGRI respondents) is conducted every 2 years. The DG AGRI survey had 428 respondents and is planned to be conducted every other year.

¹¹⁶ A result indicator related to staff satisfaction has been extended by the category of the staff satisfaction with job which represents an impact of the HR activities.

¹¹⁷ The global envelope is part of administrative credits used to finance external personnel, missions, meetings and representation costs, training and conferences, studies and the development of IT systems.

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.

This activity contributes to achieving all three general objectives.

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
Percentage of filing of documents in DG AGRI	95 % of AGRI documents were filed in Ares ¹¹⁸	100 % of documents ARES filed; action to be taken as soon as the reporting tool is available
Respect of deadlines in answering requests for documents and mails from citizens; respect of deadlines in managing the complaints and requests for information on application of European law	100 %: All requests were answered within established deadlines. Access to documents 2011 (until 07/11): 135 requests (incl. 13 complicated requests) ¹¹⁹ 2010: 201 requests 100% 2011 (until 07/11) : 95 files handled ¹²⁰ CHAP 2010 – 76 files treated	100 % of request for documents and information answered within established deadlines. 100 % of deadlines for managing the complaints and requests for information on application of European law respected
Notification of identified personal data processings in DG AGRI	89 % (28 identified personal data processing, of which 25 are in the register)	100 % of identified processings included in the register of the DPO
Good functioning of the BCP, proven by updates and tests the BCP; implementing the decisions of the Committee of Security of DG AGRI	New BCP distributed to all members of the Security Committee and the hierarchy in November 2011. BCP successfully tested in the framework of a Commission-wide exercise PEST10, incl. telephone cascade (October 2010) - 587 responses of the IPM questionnaire following the exercise Regular updates of BCP annexes	Review of the BCP and the Business Impact Analysis by October 2012 ¹²¹
Rapid reaction to/confirmation of messages sent by the central ARGUS system	Update of the ARGUS instructions (Annex 8 of the BCP) Regular updates of the NOAH/ARGUS database No ARGUS Phase II alerts during the reporting period	Good functioning of the permanence system put in place for ARGUS in DG AGRI

¹¹⁸ Statistics sent by SG e-domec in December 2010.

¹¹⁹ Prolongations based on art. 6, § 2 and § 3 and Art 7, § 3 of Regulation 1049/2001 were needed for the complicated requests such as Farina (2011/692), Pigeon (2011/1284, 1285, 1288, 1291), Germond (2011/1628), Walbroeck (2011/2245, 2247), Schoene (2011/2279, 2281), Godfrey (2011/3670, 3671), Rowell (2011/4387), Vadillo Ortiz (2011/4621), Brusseleers (2011/4991) in order to complete the search for the documents in cooperation with different services of the Commission involved. Such requests require an extensive search and verification of the documents, and in most cases numerous consultations with third parties.

¹²⁰ DG AGRI was chef de file of 95 files - 18 were inquiries and 77 complaints. In addition, there were 15 cases where DG AGRI is associated (2 inquiries, 13 complaints).

¹²¹ The target has been adapted to 2012 plan.

SPECIFIC OBJECTIVE 5

To implement, maintain and report on an effective and reliable internal control system so that:

- reasonable assurance can be given that resources assigned are used according to the principles of sound financial management;
- risk of errors in operations is minimised and;
- the control procedures put in place give the necessary guarantee concerning the legality and the regularity of the underlying operations.

This activity contributes to achieving all three general objectives.

<i>Result Indicators</i>	<i>Latest known result</i>	<i>Target (mid-term)</i>
<u>Internal Audit</u>		
Level of implementation of the audit plan	<p>Within the year – 78% for 2010/11 (78% for 2009)</p> <p>2010/11 plan was 95 % completed by 31/05/2011</p> <p>(2009 plan was 94 % completed by 30.4.2010)</p> <p>77% of predraft Reports re the planning year 2010/11 published by 31.3.2011; 100% of predraft reports published by 30.6.2011</p>	<p>100% implementation of audit plan for year ending 31/3/n</p> <p>90 % implementation of the audit plan from 01/04n-31/12n at 31/12n</p> <p>100% implementation by 31/3/n+1</p> <p>All C1 audits finalised by 31.12.</p> <p>All preliminary draft reports published by the end of the planning year (31.12.).</p>
Level of acceptance by the auditees of audit recommendations issued by the IAC	<p>Critical – n/a</p> <p>Very important – 100 %</p> <p>Important – 100 %</p>	>90 %
% of accepted audit recommendations - implemented, - implemented within the deadlines	<p>93% for 2010 (87% for 2009)</p> <p>82% for 2010 (72% for 2009)</p>	<p>>90 %</p> <p>>80 %</p>
<u>Assistance and Central Financial Control</u>		
Error rates relating to centralised direct management through assistance before payment ¹²²	<p>Error rates (return of files):</p> <p>2.86 % (situation end 2010)</p> <p>3.03 % (situation end 2009)</p> <p>5.02 % (situation end 2008)</p>	Error rates (return of files): Maintain the rates compared to previous year
Respect of payment deadlines provided for in the Financial Regulation (FR)	<p>Situation end October 2011:</p> <ul style="list-style-type: none"> - The average payment delay is 13 days; 98.8 % of all payments respect the contractual deadline <p>Situation December 2010:14 days; 99.3 %.</p> <ul style="list-style-type: none"> - Late interest paid (end October 2011): Transactions: 2; Amount: € 820.78¹²³ 	<ul style="list-style-type: none"> - Respect of the deadlines by the Financial Regulation - No payment of late interest on payments
Awareness of financial rules and regulations among financial actors by assistance and training organised	<p>36 persons trained (end October 2011)¹²⁴</p> <p>100 persons trained in 2010</p>	Training: 80 agents trained ¹²⁵

¹²² The indicator has been precised.

¹²³ Despite the weekly reporting, 2 payments were paid late due to operational issues and automatic late interest needed to be paid for a total amount of € 820.78 (€ 310.64 + € 510.14).

¹²⁴ As the entry into force of the new Financial Regulation is still uncertain (1st January 2012 or later), DG AGRI's training program will be adapted/re-launched as of 1st September 2011.

¹²⁵ The Target will be reassessed after adoption of FR and IR.

Internal Control		
Formal compliance with internal control standards: - Degree of compliance	96% compliance in 2011 – preliminary assessment as of July 2011, final results in March 2012 (2011 Annual Activity Report) 100 % compliance in 2010, reported in the 2010 Annual Activity Report (March 2011)	100 %
Effective implementation of prioritised control standards: - Degree of staff awareness of prioritised control standards - Degree of implementation of planned actions on prioritised control standards	2011: increased positive results for staff awareness of exceptions to procedures (internal control standard No 8, prioritised already in 2010) ¹²⁶ <i>New indicator (results available at the end of the year)</i>	Maintain and if possible improve results 100 %
Support and coordination of the risk management process: - Establishment and maintenance of a DG Risk Register with the critical and significant risks - Degree of implementation of the foreseen action plans to manage the significant and critical risks in the Register	2011 DG Risk Register updated (July 2011) Action plans to manage the risks in the 2011 DG Register implemented on schedule for 5 of its 7 risks (situation as of July 2011, when the 2011 Risk Register was updated).	Keep up-to-date DG Risk Register 100 % implementation of planned actions for 2011
Key indicators on legality and regularity ¹²⁷		
Reception of certificates and reports of certification bodies on functioning of paying agencies' internal control systems	99 % for financial year 2010 95 % for financial year 2009	100 % received to be able to be taken into account for the AAR
Reception of statements of assurance signed by the directors of paying agencies	100 % (for financial year 2010) 100 % (for financial year 2009)	100 % received to be able to be taken into account for the AAR
Reception of opinions of certification bodies on statements of assurance	99 % for financial year 2010 95 % (for financial year 2009)	100 % received to be able to be taken into account for the AAR
Percentage of expenditure (EAGF+ EAFRD) with statistics or 100 % check	95.6 %	95 %
Reception of opinion of certification bodies on the quality of the on-the-spot controls	For financial year 2010 (2009): EAGF – IACS 99 % (94 %) EAGF – non IACS 96 % (86 %) EAFRD – IACS 94 % (91 %) EAFRD – non IACS 91% (83 %)	100 % received to be able to be taken into account for the AAR
Reception of opinions of certification bodies on the accuracy of the control statistics	For financial year 2010 (2009): EAGF-IACS 97 % (94 %) EAFRD 89 % (85 %)	100 % received to be able to be taken into account for the AAR
Reception of annual summaries by the coordinating bodies	90 % (for financial year 2010) 100 % (for financial year 2009)	100 % received to be able to be taken into account for the AAR

¹²⁶ The results for staff awareness of relevant requirements under the control standards prioritised for the first time in 2011 (No 8 on risk management and No 11 on document management) will be assessed in future exercises to measure progress.

¹²⁷ "The targets (excl. the one for the indicator: "Percentage of expenditure (EAGF+ EAFRD) with statistics or 100 % check") have been aligned."

<u>Fraud prevention and detection</u>		
Development and implementation of DG AGRI's anti-fraud strategy	<i>New indicator</i>	<ul style="list-style-type: none"> - Approval of the anti-fraud strategy by the Director General by end of February 2012. - Implementation in accordance with the schedule set out in the strategy.
<i>Main outputs in 2012 (including policy outputs when relevant)</i>		
<ul style="list-style-type: none"> • Financing decisions; • Updated vademecums and circulars on financial matters; • Assistance to authorising officers by sub-delegation (via meetings, notes, e-mail, bilateral contact, etc.); • Monitoring of financial circuits and sub-delegations; • Timely delivery of reports on internal control (assessment of formal compliance, action on effectiveness, reports to the Commissioner); • DG Risk Register in place. 		

N.B. A new result indicator "Development and implementation of DG AGRI's anti-fraud strategy" has been introduced to reflect the activities as regards the fraud prevention and detection.

ANNEX 1: -

ANNEX 2: Internal Control Standards for Effective Management

The following table lists the Internal Control Standards for which the DG AGRI wishes to place emphasis on evaluation of effectiveness in the course of 2012.

Standard	Brief description of the reasons for prioritisation
2. Ethics and organisational values	This standard is selected as part of the DG's continuous efforts to strengthen staff awareness and ownership of the principles of professional ethics, and to tie in with a number of initiatives linked to the development of a DG anti-fraud strategy, further to the adoption of the Commission's Communication in this domain.
11. Document management	<p>This standard will continue to be prioritised in 2012 in the light of the results of the effectiveness review carried out, which showed areas for improvement on several aspects of document management.</p> <p>Action will focus on information and awareness activities, including training, for all staff, and on targeted initiatives to enhance networking amongst more concerned actors and foster a more effective document management in the DG.</p>

ANNEX 3: Evaluation Plan

N°	Title of evaluation (possibly working title)	Intended use of the evaluation, and Activity concerned			Type of evaluation		Timing	
		CWP initiative that the evaluation will support	Other purpose*	ABB heading	Prospective (P) or retrospective (R)	External (E), internal (I), internal with external support (I&E)	Start (month/year)	End (month/year)
I. Ongoing evaluations (work having started in previous years)								
	Evaluation of the income effects of direct support	CAP post-2013	(1)	0503	retrospective	external	5/2010	5/2011
	Evaluation of measures applied under the CAP to the sheep and goat meat sector		(3)	0502	retrospective	external	12/2010	10/2011
	Evaluation of exceptional market support measures (poultry and eggs)		(3)	0502	retrospective	external	12/2010	9/2011
	Evaluation of measures applied under the CAP to the sugar sector		(1)	050205	retrospective	external	12/2010	12/2011
	Evaluation of the Community policy for the promotion of agricultural products in the internal market and on third countries	Promotion and information for agricultural products	(1)	050210	retrospective	external	12/2010	12/2011
	Evaluation of measures applied under the CAP to the dairy sector	Smooth phasing out of the milk quota system	(1)	050212	retrospective	external	11/2010	12/2011
	Synthesis of rural development ex-post evaluations (2000-2006)	CAP post-2013	(2)	050402	retrospective	external	12/2010	12/2011

	Evaluation of measures applied under the CAP to the wine sector (including restructuring measures)		(1)	050209	retrospective	external	9/2011	8/2012
	Evaluation of the school fruit scheme		(3)	0503	retrospective	external	11/2011	6/2012
	Evaluation of measures applied under the CAP to the cereals sector		(1)	0502	retrospective	external	12/2011	10/2012
	Evaluation of the structural effects of direct support	CAP post-2013	(1+3)	0503	retrospective	external	12/2011	10/2012
	Synthesis of rural development mid-term evaluations (2007-2013)	CAP post-2013	(3)	050405	retrospective	external	12/2011	6/2012
	EU Forest Action Plan ex-post evaluation	Review of the EU Forestry Strategy	(3+4)	050403	retrospective	external	11/2011	5/2012

II. Evaluations planned to start in 2012 or later

Evaluations starting in 2012

	Evaluation of the school milk programme		(1+3)	0502	retrospective	external	6-9/2012	6-9/2013
	Evaluation of Article 68 measures		(3)	0503	retrospective	external	6-9/2012	6-9/2013
	Evaluation of operational programmes in the F&V sector		(3)	0503	retrospective	external	3-6/2012	6-9/2013
	Evaluation of apiculture programmes		(3)	0502	retrospective	external	3-6/2012	10-12/2012
	Synthesis of Sapard ex-post evaluations (RO, BG, HR)		(3)	050501	retrospective	external	1-3/2012	6-9/2012

Evaluations starting in 2013

	Evaluation of measures applied under the CAP to the cotton sector		(1)	0502	retrospective	external	6-9/2013	3-6/2014
	Synthesis of rural development ex-ante evaluations (2014-2020)		(2)	0504	prospective	external	10-12/2013	10-12/2014
	Evaluation of the Economic Partnership Agreements		(3)	0506	retrospective	external	3-6/2013	3-6/2014
	Evaluation of agricultural information policy		(1)	0508	retrospective	external	10-12/2013	10-12/2014
	Evaluation of market and trade implications of veal marketing standards		(3)	0502	retrospective	external	10-12/2013	10-12/2014

Evaluations starting in 2014								
	POSEI/Aegean Islands programmes		(3)	0503	retrospective	external		
	Environmental effects of CAP measures applicable to the wine sector		(3)	0502	retrospective	external		
	Evaluation of investment support under the rural development policy		(3)	050405	retrospective	external		
	Organic farming		(3)	0504	retrospective	external		
	Evaluation of the effects of decoupling on the small sectors (starch, dried fodder, flax and hemp, protein crops, rice, seeds, hops)		(3)	0502	retrospective	external		

III. Other ongoing and planned activities with evaluative information								
	European Evaluation Network for Rural Development	CAP post-2013	(2)	0504	ongoing	external	6/2006	ongoing

(1) Evaluation cycle; (2) Required by Rural Development legislation;

(3) Requested by AGRI units for the preparation of impact assessments, reports to Council and Parliament, and policy reviews;

(4) Commitment in the EU Forest Action Plan.

ANNEX 4: -

ANNEX 5: Actions stemming from AAR and the Synthesis report

1. Action stemming from reservations made in AAR						
Reservation	ABB activity	Actions	Expected result	Timetable for implementation	Responsible service	Mid-term review ¹²⁸ progress
Reservation in the AAR 2010 on serious deficiencies in the IACS in Bulgaria, Romania and Portugal	ABB 03 Direct aids	<p>The DG AGRI AAR 2010 reports on the actions taken:</p> <p>All three Member States established action plans to remedy the serious deficiencies identified. Their implementation is closely monitored by the Commission.</p> <p>The DG AGRI will continue its intensive audit programme in the Member States concerned.</p>	Effective IACS system in all three Member States.	Throughout 2012	DG AGRI	<p>On track for Romania and Bulgaria.</p> <p>The Romanian action plan was finalized in February 2011 and its correct implementation has been confirmed after a mission carried out by the DG AGRI services end October 2011.</p> <p>For Bulgaria, an audit mission took place in December 2011 to verify that the action plan was completed as scheduled. The DG AGRI will carry out audits to verify its correct implementation.</p> <p>Risk of delay for Portugal: finalisation initially foreseen by the end of 2011. The deadline has been revised to the end of January and it could run into February 2012. The national authorities have been requested to ensure that the action plan is completed before the beginning of the claim procedure for 2012.</p>

¹²⁸ Users may fill in using "On track", "Risk of delay" or "Problem".

2. Actions taken as follow-up to audit recommendations and affecting the DoA						
Reservation	ABB activity	Actions	Expected result	Timetable for implementation	Responsible service	Mid-term progress review
IA audit on Organic Farming	ABB 04 Rural development	<p>Adequately plan for the ongoing and upcoming workload related to the recognition process</p> <p>Ensure correct prioritisation of organic farming issues in the SANCO control and supervision planning and audit, and identify ways to further improve the existing arrangements.</p>	<p>Specific multi-annual planning (tabular format) for the work of recognition of equivalency for third countries and for control bodies. Define work feasible with staff allocation for a given period e.g. 6 months and update 2 times a year</p> <p>Appropriate inclusion in SANCO's planning of organic farming issues</p>	<p>Start in 2011</p> <p>30/06/2011</p>	DG AGRI	A risk concerning the import regime of organic products was included in the DG risk register for 2011 and closely followed up at the appropriate levels of the management chain. A reinforced and comprehensive action plan, setting out the specific actions to be taken both in the short and in the long term for the effective management of this risk has been prepared.

3. Ongoing actions stemming from the Synthesis Reports						
Reservation	ABB activity	Actions	Expected result	Timetable for implementation	Responsible service	Mid-term progress review
There are no actions stemming from Synthesis report 2010 for which the DG AGRI has been named responsible.						

ANNEX 6: Annual work programme of executive agencies

The DG AGRI is not concerned by this annex.

ANNEX 7: Communication Strategy

Communication strategy – DG AGRI

No	Communication Objective(s)	Message	Audience	Proposed actions/ type of activity	Date/ location	DG COMM Services ¹	Evaluation	Resources
Policy objective/Policy output								
<ul style="list-style-type: none"> External communication strategy for the CAP, under Council regulation 814/2000, for the period 2010 – 2015 								
1	Inform on CAP 2013 reform and its contribution to "Europe 2020"	<p><i>The CAP has provided 50 years of service to European citizens, going beyond food production into public goods delivery.</i></p> <p><i>The CAP is an evolving policy, constantly adapting to EU citizens' needs.</i></p>	General Public, Including: opinion leaders decision makers and stakeholders	1) Media farm trips, study trips, networking (see annex 1)	1) 2012 17 MS + HR + Bx	REPs cooperation	- satisfaction survey - web and media statistics - media coverage reports	8.000.000 € 32 staff
				2) Stakeholders fairs and conferences networking (See annex 2)	2) 2012 10 MS + Bx	REPs cooperation	- satisfaction survey - no of visitors - no of participants	
				3) General public Exhibitions Publications Websites Events Grants (see annex 3, 4)	3) 2012 27 MS + Bx	REPs cooperation	- no visitors - website statistics - public opinion survey	

Annex 7.1: Flagship project 1: Media networking

WHAT	WHO (target group)	HOW	WHEN and WHERE	Success indicators	HOW much (budget)
Press Field TRIPS					200.000
Farms trips to South, North, East, West	4 x 15 journalists, 2 cameramen	Field to farm demonstrating EU's agriculture diversity and key elements of the CAP reform	Portugal, Estonia/Latvia, Slovakia, Ireland	Min 50% participants write articles Min 50% of articles are positive/neutral	160.000
Grüne Woche 2013	15 journalists	Field to farm demonstrating EU's agriculture diversity and key elements of the CAP reform	East Germany	Min 50% on e-platform	40.000
STUDY TRIPS					60.000
Two Study trip to Brussels	2 x 8-10 reporters from East	General introduction to EU/CAP/Institutions, background briefings with Roger/Tassos to be organised with EP	BE/NL	Min 50% on e-platform 80% positive feedback	40.000
Study trip to Brussels	15 Journalist students	To be organised jointly with EP	BE/BE	80% Neutral/positive feedback	20.000
NETWORKING					340.000
Meetings European Network of Agricultural Journalists ENAJ	30 guild members	Likely to follow presidencies. DG AGRI to cover part of the costs. Guilds to organise.	Denmark, Cyprus	Min 50% of EU MS join ENAJ 10% ENAJ on e-platform	50.000
Annual networking event and competition for journalists' schools	200	Major annual networking event. National competitions for journalist students on CAP related issue – winners to take part in the annual networking event.	December Brussels	80% Neutral/positive feedback	250.000
New Networking tools (e-platform, news alerts, etc)		Contractor to develop frames – network to maintain	August	Positive feedback from users	40.000
CAP seminars					-
9 Seminars	RO, BG, Gr/CY, SI, PL, LT, UK, Croatia	Joint with the EC REP, with Green team ambassadors.		Min 10% on e-platform 80% Neutral/positive feedback	-
TOTAL					600.000

Annex 7.2: Flagship Project 2- Stakeholders

	WHAT	WHO (target group)	HOW	WHEN and WHERE	Success indicators	HOW much (budget)
1.	4 mid size Fairs	Stakeholders	Stand + events (Contractor MC)	8-10 June, Denmark 21-24 June, UK 5-8 Sept 2012, Latvia Oct/Dec 2012, NL (Floriade or Agrovak expo)	* min 200 questionnaires/fair * min 30 persons/ cooking events. * min 15 persons/ stakeholders' networking event	750.000
	2 big size fairs	Stakeholders General public	Stand + events (Contractor MC)	Jan 2013 Germany (GW) Feb 2013 France (SIA)	* min 200 questionnaires/fair * min 30 persons/ cooking events. * min 15 persons/ stakeholders' networking event	700.000
2.	4 Conferences	Stakeholders	Conference on small farmers	tbc	* min 150 participants * min 20 articles * min 70% feedback	500.000
3.	Events	EU wide professional organisations	In partnership with the 3 professional organisations	tbc	tbc	170.000
	TOTAL					2.120.000

Annex 7.3: Flagship project 3: General public / CAP reform / 50 years anniversary

No	WHAT	WHO (target group)	HOW	WHEN and WHERE	Success Indicators	HOW much (budget)
1.	Launching event	Decision-makers Stakeholders Media	Launching event for the year	Berlin, 20 Jan 2011 Brussels, 23 Jan 2011 Paris, February tbc	* Min 10 articles in the press	2011 budget
2.	Itinerant exhibition	Media, Stakeholders, urban young people	Itinerant exhibition in two modules: outdoor + indoor.	Launch in March in Brussels + several MS	* Min 30.000 visitors * min 70% feedback;	750.000
3.	Website 50 years	General public	Promotion in Google and Facebook;	2012	* Number of on-line visits	100.000
4.	City farm	General public (urban)	In partnership with other rural actors	5-7 May 2012. Parc du Cinquantenaire/Berlaymont or 21st of July/Parc Royal	* Min 10 000 visitors * min 15 articles in the press	200.000
5.	Eurobarometer	General public		Spring 2012	1% of the EU population	150.000
6.	Euronews programme	Decision makers and opinion leaders	Series of programmes about the CAP	Monthly, 10 episodes, shown 20 times each		400.000
7.	Publications	General public				200.000
	TOTAL					1.800.000

Annex 7.4: Flagship project 4: Grants and networking

	WHAT	WHO (target group)	HOW	WHEN and WHERE	Success Indicators	HOW much (budget)
	NETWORKING					
1.	Technical Assistance	Networking members	Technical assistance to develop tools for networking and exchange of info	1st Quarter 2012	Min 2 tools launched in 2012	100.000
2.	2 Meetings of group of experts	CAP Communication experts in MS administration	3rd and 4 th meeting with group of experts	June – Denmark January 2013 - Berlin	Min 23 countries participating	100.000
3.	Stakeholders mapping in the 27 MS	EC	Updating the stakeholders mapping produced in 2011	27 MS, Spring 2012	Min 5 stakeholders/country	30,000
	GRANTS					
6.		Stakeholders	Call for proposals (CAP 50th anniversary in 2012 and CAP reform in 2013 as main subjects)	July 2012	* Min 10 best practice * 100% contracts implemented according to sound financial management	3.250.000
	TOTAL					3.480.000