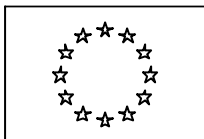


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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 5.7.2005  
COM(2005) 304 final

2005/0129 (CNS)

Proposal for a

**COUNCIL DECISION**

**on Community strategic guidelines for Rural Development**

**(Programming period 2007–2013)**

(presented by the Commission)

{SEC(2005) 914}

## **EXPLANATORY MEMORANDUM**

To bring rural development policy into line with the Community's priorities, the Council Regulation on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) provides in its Article 9 for the adoption of Community level strategic guidelines for rural development for the programming period from 1 January 2007 to 31 December 2013. These guidelines are annexed to the proposed decision.

The target date for adoption of the Community strategic guidelines is Autumn 2005. The common framework for monitoring and evaluation should be fully elaborated by the end of 2005.

With these elements in place, Member States can finalise their national strategy plans for the end of 2005, beginning of 2006 and finalise, after agreement on the main orientations, the detailed programming in the first half of 2006. The 2<sup>nd</sup> half of 2006 would be available for the approval process.

Proposal for a

**COUNCIL DECISION**

**on Community strategic guidelines for Rural Development**

**(Programming period 2007–2013)**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,,

Having regard to Council Regulation (EC) No .../... of ... on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)<sup>1</sup>, and in particular Article 9(2), first sentence thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament<sup>2</sup>,

Whereas:

- (1) Article 9(1) of Regulation (EC) No .../... provides that strategic guidelines for rural development for the programming period from 1 January 2007 to 31 December 2013 should be adopted at Community level to set the priorities for rural development.
- (2) The strategic guidelines identify the areas important for the realisation of Community priorities, in particular in relation to the Göteborg sustainability goals and to the renewed Lisbon strategy for growth and jobs.
- (3) On the basis of these strategic guidelines, each Member States shall prepare its national rural development strategies constituting the reference framework for the preparation of rural development programmes.
- (4) The European Economic and Social Committee has given an opinion<sup>3</sup>.
- (5) The Committee of the Regions has given an opinion<sup>4</sup>,

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<sup>1</sup> OJ L ..., ..., p. ...

<sup>2</sup> OJ L ..., ..., p. ...

<sup>3</sup> OJ L ..., ..., p. ...

<sup>4</sup> OJ L ..., ..., p. ...

HAS DECIDED AS FOLLOWS:

*Sole Article*

The Community strategic guidelines for Rural Development programming period 2007–2013, as set out in the Annex, are hereby adopted.

Done at

*For the Council  
The President*

## ANNEX

# Community strategic guidelines for Rural Development programming period 2007–2013

## 1. INTRODUCTION

The new rural development regulation defines the purpose and the scope of assistance from the rural development fund. The Community strategic guidelines identify within this framework the areas important for the realisation of Community priorities, in particular in relation to the Göteborg sustainability goals and to the renewed Lisbon strategy for growth and jobs.

The Community strategic guidelines for rural development will help to:

- identify and agree the areas where the use of EU support for rural development creates the most value added at EU level;
- make the link with the main EU priorities (Lisbon, Göteborg) and translate them into rural development policy;
- ensure consistency with other EU policies, in particular in the field of cohesion and environment;
- accompany the implementation of the new market oriented Common Agricultural Policy and the necessary restructuring it will entail in the old and new Member States.

## 2. RURAL DEVELOPMENT AND THE COMMUNITY'S OVERALL AIMS

### 2.1. The CAP and Rural Development

Agriculture continues to be the largest user of rural land as well as a key determinant of the quality of the countryside and the environment. The importance and relevance of the CAP and rural development have increased with the recent enlargement of the European Union.

Without the two pillars of the CAP, market policy and rural development, many rural areas of Europe would face increasing economic, social and environmental problems. The European Model of Agriculture reflects the multifunctional role farming plays in the richness and diversity of landscapes, food products and cultural and natural heritage<sup>5</sup>.

The guiding principles for the CAP, market and rural development policies, were set by the European Council in Göteborg in 2001 and confirmed in the Lisbon Strategy Conclusions in Thessaloniki in June 2003 – ***Strong economic performance must go hand in hand with the sustainable use of natural resources.***

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<sup>5</sup> Presidency Conclusions European Councils of Luxembourg 1997, Berlin 1999 and Brussels 2002, Agricultural Council, 14 March 2005.

"Strong economic performance must go hand in hand with the sustainable use of natural resources and levels of waste, maintaining biodiversity, preserving ecosystems and avoiding desertification. To meet these challenges, the European Council agrees that the Common Agricultural Policy and its future development should, among its objectives, contribute to achieving sustainable development by increasing its emphasis on encouraging healthy, high quality products, environmentally sustainable production methods, including organic production, renewable raw materials and the protection of biodiversity."

Presidency Conclusions, European Council, Göteborg 2001

The reformed CAP and Rural Development can make a key contribution to competitiveness and sustainable development in the coming years.

## **2.2. Towards Sustainable Agriculture: the 2003 and 2004 CAP Reforms**

The 2003 and 2004 CAP reforms represent a major step forward to **improve the competitiveness and sustainable development** of farming activity in the EU and set the framework for future reforms. Successive reforms have boosted the competitiveness of European agriculture by reducing price support guarantees. The introduction of decoupled direct payments encourages farmers to respond to market signals generated by consumer demand rather than by quantity related policy incentives. The inclusion of environment, food safety, animal health and welfare standards in cross-compliance reinforces consumer confidence and increases the environmental sustainability of farming.

## **2.3. Rural Development 2007–2013**

The future Rural Development policy focuses on three key areas: the agrifood economy, the environment and the broader rural economy and population. The new generation of rural development strategies and programmes will be built around a competitiveness axis for agriculture, food and forestry, a land management-environment axis and a quality of life/diversification axis in rural areas.

Under the competitiveness axis a range of measures will target human and physical capital in the agriculture, food and forestry sectors (promoting knowledge transfer and innovation) and quality production. The land management-environmental axis provides measures to protect and enhance natural resources, as well as preserving high-nature value farming and forestry systems and cultural landscapes of Europe's rural areas. The third axis helps to develop local infrastructure and human capital in rural areas to improve the conditions for growth and job creation in all sectors and the diversification of economic activities.

A fourth axis based on the Leader experience introduces possibilities for innovative governance through locally based bottom-up approaches to rural development.

## **2.4. Meeting the challenges**

Rural areas are characterised by a very large diversity of situations, ranging from remote rural areas suffering from depopulation and decline to peri-urban areas under increasing pressure from urban centres.

According to the OECD definition, which is based on population density, rural regions<sup>6</sup> represent in the EU-25 92% of the territory. Furthermore, 19% of the population live in predominantly rural regions and 37% live in significantly rural regions. These regions generate 45% of Gross Value Added (GVA) in the EU-25 and provide 53% of the employment, but tend to lag<sup>7</sup> as regards a number of socio-economic indicators, including Structural Indicators<sup>7</sup>, compared to non-rural areas. In rural areas, income per inhabitant is around a third less<sup>8</sup>, activity rates for women are lower, the service sector is less developed, higher education levels are generally lower, and a lower percentage of households has access to 'broadband' internet. Remoteness and peripherality are major problems in some rural regions. These disadvantages tend to be even more significant in predominantly rural regions, although the general picture at EU level can vary substantially between Member States. Lack of opportunities, contacts and training infrastructure are a particular problem for women and young people in remote rural areas.

In EU-15 agriculture accounts for 2% of GDP, in the new Member States for 3% and more than 10% in Romania and Bulgaria. In the new Member states three times as many people work in agriculture (12%) compared to the old member states (4%). In Bulgaria and Romania agricultural employment levels are considerably higher.

The combined agricultural and food sector represents an important part of the EU economy accounting for 15m jobs (8.3% of total employment) and 4.4% of GDP for in EU-25. The EU is the world's largest producer of food and beverages, with combined production estimated at €75 billion. However, the sector remains highly polarised and fragmented in terms of size with significant opportunities and threats for firms<sup>9</sup>. Forestry and related industries employ around 3.4m people with a turnover of €350bn, but only 60% of annual forest growth is currently exploited<sup>10</sup>.

Agriculture and forestry represent 77% of land use in the EU-25. The environmental performance of agriculture in the preservation and enhancement of natural resources in recent years has been mixed. As regards water quality, total nitrogen surplus has not significantly changed since 1990 in the old Member States. Problems of ammonia emissions, eutrophication, soil degradation and decline in biodiversity persist in many areas. However, an increasing part of agricultural area is devoted to organic production (5.4m ha for EU-25) and renewable resources (0,9m ha for EU-15). Long-term trends in climate change will increasingly shape farming and forestry patterns. Protection of biodiversity has made steps forward with the implementation of Natura 2000 – around 12-13% of agricultural and forestry area has been designated. High nature value farming systems play an important role in preserving biodiversity and habitats as well as landscape protection and soil quality. In most Member States,

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<sup>6</sup> The OECD definition is based on the share of population living in rural communes (i.e. with less than 150 inhabitants per km<sup>2</sup>) in a given NUTS III region. See Extended Impact Assessment - SEC(2004) 931. This is the only definition of rural areas internationally recognised. However, in some cases, it does not fully take into account the population living in more densely populated rural areas, particularly in peri-urban zones.

<sup>7</sup> Statistical Annex of Spring Report to European Council - SEC(2005) 160.

<sup>8</sup> As measured by GDP at purchasing power parity.

<sup>9</sup> Source: E-Business Market Watch ICT and e-Business, DG ENTR, July 2003.

<sup>10</sup> Reporting on the implementation of the EU Forestry Strategy - COM(2005) 84, p. 2.

these farming systems account for between 10% and 30% of the agricultural area<sup>11</sup>. In some areas the abandonment of farming could entail serious environmental risks<sup>12</sup>.

Rural areas therefore face particular challenges as regards growth, jobs and sustainability in the coming years. But they offer real opportunities in terms of their potential for growth in new sectors, the provision of rural amenities and tourism, their attractiveness as a place to live and work, and their role as a reservoir of natural resources and highly valued landscapes.

The agricultural and food sectors must seize the opportunities offered by new approaches, technologies and innovation to meet evolving market demand both in Europe and globally. Above all, investment in the key resource of human capital will allow rural areas and the agrifood sector to look to the future with confidence.

On the occasion of the relaunch of the Lisbon Strategy, the European Council has reaffirmed that the Lisbon Strategy is to be seen in the wider context of sustainable development, that present needs must be met without compromising the ability of future generations to meet their own needs<sup>13</sup>. The new programming period provides a unique opportunity to refocus support from the new rural development fund on growth, jobs and sustainability. In this respect, it is fully in line with the Declaration on the Guiding Principles for Sustainable Development<sup>14</sup> and the renewed Lisbon Action Programme<sup>15</sup> which seeks to target resources at making Europe a more attractive place to invest and work, promoting knowledge and innovation for growth and creating more and better jobs.

Rural development policy must help rural areas meet these objectives in the period 2007–2013. This requires a more strategic approach to competitiveness, job creation and innovation in rural areas and improved governance in the delivery of programmes. There must be an increased focus on forward-looking investments in people, know-how and capital in the farm and forestry sectors, on new ways of delivering win-win environmental services and on creating more and better jobs through diversification, particularly for women and young people. By helping the EU's rural areas to fulfil their potential as attractive places to invest, work and live, rural development policy can play its part in the sustainable development of Europe's territory.

### **3. SETTING THE COMMUNITY'S PRIORITIES FOR RURAL DEVELOPMENT 2007–2013**

Within the framework of the objectives established in the Rural Development regulation, these guidelines identify priorities for the Community, aimed at the integration of major policy priorities as spelled out in the conclusions of the Lisbon and Göteborg European Councils. For each set of priorities, key actions are presented. Member States shall prepare their national rural development strategies, constituting

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<sup>11</sup> Source: IRENA project, <http://webpubs.eea.eu.int/content/irena/index.htm>.

<sup>12</sup> A set of lead indicators are presented in the accompanying impact assessment update - SEC(2005) 914 - in the form of maps which provide a picture of the starting situation against which progress can be measured.

<sup>13</sup> Presidency Conclusions, Brussels European Council of 22 and 23 March 2005, paragraph 42.

<sup>14</sup> Presidency Conclusions, Brussels European Council of 16 and 17 June 2005, annex.

<sup>15</sup> Communication to the Spring European Council "Working together for growth and jobs – a new start for the Lisbon Strategy" - COM(2005) 24, 2.2.2005.

the reference framework for the preparation of rural development programmes, on the basis of these strategic guidelines.

### 3.1. Improving the competitiveness of the agricultural and forestry sectors

#### *Guideline*

Europe's agriculture, forestry and its agrifood sector have great potential to further develop high quality and value added products that meet the diverse and growing demand of Europe's consumers and world markets.

The resources devoted to **axis 1** should contribute to a strong and dynamic European agrifood sector by focusing on the *priorities of knowledge transfer and innovation in the food chain and priority sectors for investment in physical and human capital*.

In order to meet these priorities, Member States should focus support on key actions such as:

- **facilitating innovation and access to R&D.** Innovation is increasingly important for Europe's farming, agrifood and forestry sectors. While Europe's large agrifood companies are often at the cutting edge of new trends, the introduction of new products and processes could significantly contribute to the performance of smaller processors and farm businesses. In particular, new forms of cooperation could facilitate access to R&D, innovation and actions undertaken under the 7<sup>th</sup> Framework Programme<sup>16</sup>;
- **improving integration in the agrifood chain.** Europe's food industry is one of the world's most competitive and innovative, but it is facing increasing global competition. There is considerable scope in the rural economy to create and market new products, to retain more value in rural areas through quality schemes and to raise the profile of European products overseas. The use of advisory services and support to meet Community standards will contribute to this integration process. A market oriented agricultural sector will help further consolidate the position of Europe's agrifood sector as a major employer and source of economic growth;
- **encouraging the take-up and diffusion of ICT.** The agrifood sector as a whole has been identified as lagging in the take-up of ICT technologies. This is particularly the case for smaller businesses. Adoption of e-business applications is still on a low level outside of large multinationals and their larger suppliers<sup>17</sup>. Rural development funds should complement future Commission initiatives such as i2010 in the fields of e-business (particularly in relation to SMEs), e-skills and e-learning<sup>18</sup>;
- **fostering dynamic entrepreneurship.** The recent reforms have created a market oriented environment for European farming. This brings new opportunities for farm businesses. But the realisation of this economic potential will depend on the development of **strategic** and **organisational skills**;

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<sup>16</sup> The work of the Standing Committee on Agricultural Research (SCAR) should also be taken into account in this context.

<sup>17</sup> Source: E-Business Market Watch ICT and e-Business, DG ENTR, July 2003.

<sup>18</sup> COM(2005) 229: "i2010 – A European Information Society for growth and employment".

- **development of new outlets for agricultural and forestry products.** New outlets can offer higher value added. Support for investment and training in the field of **non-food production** under rural development can complement measures taken under the first pillar by creating innovative new outlets for production or helping the development of **renewable energy** materials, biofuels and processing capacity;
- **improving the environmental performance of farms and forestry.** Long term sustainability will depend on the ability to produce products that consumers wish to buy, while achieving high environmental standards. Investing in increased environmental performance can also lead to efficiency gains in production, creating a win-win situation;
- **restructuring of the agriculture sector.** Rural development is a key tool for restructuring, particularly in the New Member States. Enlargement has changed the agricultural map. Successful agricultural adjustment can be the key to improving the competitiveness and environmental sustainability of the agricultural sector and boosting jobs and growth in related areas of the economy. All Member States should promote the anticipation of change within the agricultural sector in the context of restructuring, and develop a proactive approach to training and retraining of farmers, particularly as regards transferable skills.

To enhance generational renewal in agriculture combinations of measures available under axis 1 tailored to the needs of **young farmers** should be considered.

### 3.2. Improving the environment and countryside

#### *Guideline*

To protect and enhance the EU's natural resources and landscapes in rural areas, the resources devoted to **axis 2** should contribute to **three EU level priority areas: biodiversity and preservation of high nature value farming and forestry systems, water, and climate change.** The measures available under axis 2 should be used to integrate these environmental objectives and contribute to the implementation of the agricultural and forestry Natura 2000 network, to the Göteborg commitment to reverse biodiversity decline by 2010, to the Water Framework Directive objectives and to the Kyoto Protocol targets for climate change mitigation.

In order to meet these priorities, Member States should focus support on key actions such as:

- **promoting environmental services and animal friendly farming practices.** European citizens expect farmers to respect mandatory standards. But many also agree that farmers should be remunerated for signing up to commitments which go further, delivering services that the market will not provide alone, particularly when focused on specific resources such as water and soil;
- **preserving the farmed landscape.** In Europe, much of the valued rural environment is the product of agriculture. Appropriate farming systems help to preserve landscapes and habitats ranging from wetlands to dry meadows and mountain pastures. In many areas, this is an important part of cultural and natural heritage and of the overall attractiveness of rural areas as places to live and work;

- **combating climate change.** Agriculture and forestry are at the forefront of the development of renewable energy and material sources for bio-energy installations. The development of these energy sources must take into account reduction of emissions of greenhouse gases and preservation of the carbon sink effect of forests and organic matter in soil composition;
- **consolidating the contribution of organic farming.** Organic farming represents a holistic approach to sustainable agriculture. In this respect, its contribution to environmental and animal welfare objectives could be further reinforced;
- **encouraging environmental/economic win-win initiatives.** The provision of environmental goods, particularly through agri-environmental measures, can contribute to the identity of rural areas and their food products. They can form a basis for growth and jobs provided through tourism and the provision of rural amenities, particularly when linked to diversification into tourism, crafts, training or the non-food sector;
- **promoting territorial balance.** Rural development programmes can make a vital contribution to the attractiveness of rural areas. They can also help ensure that in a competitive, knowledge-based economy, a sustainable balance between urban and rural areas is maintained. In combination with other programme axes, land management measures can make a positive contribution to the spatial distribution of economic activity and territorial cohesion.

### 3.3. Improving the quality of life in rural areas and encouraging diversification

#### *Guideline*

The resources devoted to the fields of diversification of the rural economy and quality of life in rural areas under **axis 3** should contribute to the ***overarching priority of the creation of employment opportunities***. The range of measures available under axis 3 should in particular be used to promote capacity building, skills acquisition and organisation for local strategy development and also help ensure that rural areas remain attractive for future generations. In promoting training, information and entrepreneurship, the particular needs of women and young people should be considered.

In order to meet these priorities, Member States should focus support on key actions such as:

- **raising economic activity and employment rates in the wider rural economy.** Diversification is necessary for growth, employment and sustainable development in rural areas, and thereby contributes to a better territorial balance, both in economic and social terms. Tourism, crafts and the provision of rural amenities are growth sectors in many regions and offer opportunities both for on-farm diversification and the development of micro-businesses in the broader rural economy;
- **encouraging the entry of women into the labour market.** Local initiatives to develop childcare facilities in rural areas can improve employment opportunities and facilitate access of women to the labour market. This can include the development of child-care infrastructure, potentially in combination with initiatives to encourage the creation of small businesses related to rural activities;

- **developing micro-business** and crafts can build on traditional skills or bring new competencies, particularly when combined with purchase of equipment, training and coaching, helping to promote entrepreneurship and develop the economic fabric;
- **training young people in traditional rural skills** can tap into demand for tourism, recreation, environmental services and quality products;
- **encouraging the take-up and diffusion of ICT.** Take up and diffusion of ICT is essential in rural areas for diversification, as well as for local development, the provision of local services and the promotion of e-inclusion<sup>19</sup>. Economies of scale can be achieved through **village ICT initiatives** combining IT equipment, networking and eSkills training through community structures. Such initiatives can greatly facilitate IT take-up by local farms and rural businesses and the adoption of eBusiness and eCommerce. Full advantage needs to be taken of the possibilities afforded by the internet and broadband communications, for example supported by regional programmes under the Structural Funds, to overcome the disadvantages of location<sup>20</sup>;
- **developing the provision and innovative use of renewable energy sources** can contribute to creating new outlets for agricultural and forestry products, the provision of local services and the diversification of the rural economy;
- **encouraging the development of Tourism** Tourism is a major growth sector in many rural areas. Increased use of **ITC in tourism** for bookings, promotion, marketing, service design and recreational activities can help improve visitor number and length of stays, particularly where this provides links to smaller facilities and encourages agri-tourism;
- **upgrading of local infrastructure, particularly in the New Member States.** Significant investment will be undertaken in major telecommunications, transport, energy and water infrastructure over the coming years. Considerable support will be available from the Structural Funds ranging from trans-European networks to the development of connections to business or science parks. For the multiplier effect to be fully realised in terms of jobs and growth, small-scale local infrastructure supported within rural development programmes can play a vital role in connecting these major investments to local strategies for diversification and development of agricultural and food-sector potential.

### 3.4. Building Local Capacity for Employment and Diversification

#### *Guideline*

The resources devoted to **axis 4** (Leader) should contribute to the priorities of axis 1 and 2 and in particular of axis 3, but also play an important role in the *priority of improving governance* and mobilising the *endogenous development potential* of rural areas.

Support under the Leader axis offers the possibility, in the context of a local development strategy building on local needs and strengths, to combine all three objectives – competitiveness, environment and quality of life/diversification. Integrated approaches involving farmers, foresters and other rural actors can

<sup>19</sup> COM(2005) 229: "i2010 – A European Information Society for growth and employment".

<sup>20</sup> COM(2005) 24: "Working together for growth and jobs: A new start for the Lisbon Strategy", p. 29.

safeguard and enhance local natural and cultural heritage, raise environmental awareness and invest in and promote specialty products, tourism and renewable resources and energy.

In order to meet these priorities, Member States should focus support on key actions such as:

- **building local partnership capacity**, animation and promoting skills acquisition can help mobilise local potential;
- **promoting private-public partnership**. In particular, Leader will continue to play an important role in encouraging innovative approaches to rural development and bringing the private and public sectors together;
- **promoting cooperation and innovation**. Local initiatives such as Leader and support for diversification can play an essential role in connecting people to new ideas and approaches, encouraging innovation and entrepreneurship and promote inclusiveness and the provision of local services. On-line communities can help in the dissemination of knowledge, the exchange of good practices and innovation in rural products and services;
- **improving local governance**. Leader can help foster innovative approaches to linking agriculture, forestry and the local economy thereby helping to diversify the economic base and strengthen the socio-economic tissue of rural areas.

### 3.5. Translating priorities into programmes

The resources devoted to the Community rural development priorities (within the regulatory minimum funding limits for each axis) will depend on the specific situation, strengths and weaknesses of each programme area. Each of the Community priorities, and their contribution to Lisbon and Göteborg objectives, will need to be translated into the Member State context in the national strategy plan and rural development programmes. In many cases, there will be national or regional priorities for specific problems related to the agrifood sector or the environmental, climatic and geographical situation of agriculture and forestry. Rural areas may have to deal with other specific issues such as peri-urban pressure, unemployment, remoteness or low population density.

#### *Guideline*

In working out their national strategies, Member States should ensure that synergies between and within the axes are maximised and potential contradictions avoided. They will also wish to reflect on how to take into account other EU level strategies such as the Action Plan for Organic Farming<sup>21</sup>, the latest Commission Communication on Renewable Energy<sup>22</sup>, the Commission's recent Communication on Climate Change<sup>23</sup> and the need to anticipate the likely effects on farming and

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<sup>21</sup> COM(2004) 415.

<sup>22</sup> COM(2004) 366: "The Share of renewable energy in the EU".

<sup>23</sup> COM(2004) 35: "Winning the Battle against Climate Change".

<sup>24</sup> COM(1998) 649: "A forestry strategy for the European Union", COM(2005) 84: "Reporting on the implementation of the EU Forestry Strategy".

forestry, and the Commission's report on the EU Forestry Strategy<sup>24</sup> (which can help deliver on both the growth and employment and the sustainability objectives) and the forthcoming thematic environmental strategies<sup>25</sup>.

Several means are available at EU and Member State level to improve governance and policy delivery. Technical assistance can be used to build up European and national networks for rural development, as a platform for exchange of best practice and expertise on all aspects of policy design, management and implementation between stakeholders. Information and publicity to ensure early involvement of the different actors will need to be considered in the preparation of the national strategies and worked out for the later stages of implementation.

### 3.6. Complementarity between Community Instruments

#### *Guideline*

The synergy between structural, employment and rural development policies needs to be encouraged. In this context, Member States should ensure complementarity and coherence between actions to be financed by the ERDF, Cohesion Fund, ESF, EFF and EAFRD on a given territory and in a given field of activity. The main guiding principles as regards the demarcation line and the coordination mechanisms between actions supported by the different Funds should be defined at the level of national strategic reference framework/national strategy plan.

For infrastructure investments, the scale of intervention could be a guiding principle. For example, for investments in transport and other infrastructure at the level of the Member State or region/sub-region, Cohesion policy instruments would be used, while at the very local level the basic services measure under axis 3 could be used, ensuring the link between local and regional levels.

As regards the development of human capital, support under rural development would target farmers and the economic actors involved in the diversification of the rural economy. The population of rural areas could receive support as part of an integrated, bottom-up approach. Actions in these fields should be implemented in full compliance with the objectives of the European Employment Strategy, as set out in the Integrated Guidelines for Growth and Jobs and coherent with the actions taken under the national reform programmes in the framework of the Lisbon process. The Education and Training 2010 work programme seeks to achieve the education and the training side of the Lisbon goals. Lifelong learning is at the heart of this programme and applies to all levels and types of education and training, including the agricultural, forestry and agrifood sectors.

## 4. THE REPORTING SYSTEM

The new rural development regulation foresees strategic monitoring of the Community and national strategies. The basis for reporting on progress will be the

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<sup>25</sup> Soil protection, protection and conservation of the marine environment, the sustainable use of pesticides, air pollution, urban environment, the sustainable use of resources, and waste recycling Decision No 1600/2002/EC of the European Parliament and of the Council, of 22 July 2002 laying down the Sixth Community Environment Action Programme.

common framework for monitoring and evaluation to be established in cooperation with the Member States.

The framework will provide a limited set of common indicators and a common methodology. It will be supplemented by programme-specific indicators to reflect the character of each programme area.

A common set of indicators will allow aggregation of outputs, results and impacts at the EU level and help assess progress in achieving Community priorities. Baseline indicators defined at the start of the programming period will allow assessment of the starting situation and form the basis for the development of the programme strategy.

Evaluation activities will take place on an ongoing basis, comprising at programme level *ex-ante*, mid-term, and *ex-post* evaluation as well as other evaluation activity considered useful for improving programme management and impact. These will be accompanied by thematic studies and synthesis evaluations at Community level, as well as by the activities of the European network for rural development as a platform for exchange and capacity building for evaluation in Member States. Exchange of good practices and the sharing of evaluation results can contribute significantly to the effectiveness of rural development. In this respect, the European network should play a central role in facilitating contacts.