



AGRIGRID

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Workshop 2

Review of payment calculations in rural development measures in the EU

Project introduction

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- Background
- Objectives
- Scope
- Main tasks
- Purpose of the workshop

Background and Policy relevance

- Calculation requirements defined in Rural Development Regulation:
 - Requirement to use standard costs and standard assumptions
 - Standard costs elements need to be verifiable, data sources need to be clearly indicated and differentiated to take into account regional or local conditions.
- Data availability and higher administration costs often restrict a more differentiated approach to calculate payments
- Challenge to establish a balance between a targeted measure and the extent of transaction and administration costs
- Challenge to develop a harmonized methodology for payment calculation, but at the same time incorporating specific regional circumstances
- Contribution of the project to provide a tool which facilitates payment calculations and can be applied by the member states



Objectives

AGRIGRID aims to develop methodological grids for the calculation of payments in rural development (RD) measures in EU member states.

Objective 1:

To carry out a comparative analysis of the methods applied by the member states and their regions for calculating the payments in their current rural development programmes, grouped by measure.

Objective 2:

To develop methodological grids that are based on objective and quantifiable criteria, which are applicable EU-wide and differentiated by the nature of the measure.

Objective 3:

To develop, based on the methodological grid, appropriate software or web-based tools for applying these grids in the individual measures and recommendations for the assessment of payment calculations.

- Two-year project: January 2007 – December 2008
- Selection of member states to cover the diversity of agriculture in the EU:
 - Differences in natural conditions
 - Differences in agronomic conditions and farm and production structures
 - Differences in the challenges and key issues for the agricultural sectors and rural areas



Partner organisations

No.	Partner organisation name	Partner org. short name	Country
1 (coordinator)	Macaulay Land Use Research Institute	MLURI	Scotland
2	Federal Agricultural Research Centre	FAL	Germany
3	Agricultural University of Athens	AUA	Greece
4	Research Institute of Agricultural Economics	Vuze	Czech Republic
5	Lithuanian Institute of Agrarian Economics	LAEI	Lithuania
6	MTT Agrifood Research Finland	MTT	Finland
7	National Institute of Agricultural Economics	INEA	Italy
8	Instituto de Desarrollo Rural Sostenible	IDRiSi	Spain
9	Agrotec Polska Sp. z o. o.	Agrotec	Poland

- Project financed by the European Commission:
 - EC project officer: Lucas Janssen

Selection of rural development measures

RD measure	Measure code
Meeting standards	131
Natural handicap payments in mountain areas	211
Natural handicap payments in other than mountain areas	212
Natura 2000 payments on agricultural land	213
Agri-environment payments	214
Animal welfare payments	215
First afforestation of agriculture land	221
First afforestation of agroforestry systems	222
First afforestation of non-agricultural land	223
Natura 2000 payments on forestry land	224
Forest-environment payments	225
Restoration-prevention in forestry	226

- Focus on area-based rural development measures
- Coverage of regional rural development plans
- WTO framework: Additional costs and income foregone
- This is not a general evaluation of rural development measures - focus is on methods/approaches for calculating payments



Main tasks (1/2)

- Phase 1: Review of payment calculations
 - Representative comparative analysis of the different methods applied to calculate payments
 - Review includes basic data, methodological aspects, data sources and contextual information
 - Literature review and interviews with government and payment agencies
- Phase 2: Case study analysis and development of methodological grids
 - Case study analysis to identify farm level implications of existing payment calculations
 - Development of design and structure of a general grids – Logic Model Diagrams
 - Application of the Logic model Diagrams to develop grids for each RD measure
 - Testing of the farm level implications of the developed grids through case study analysis
 - Development of software- or web-based tool

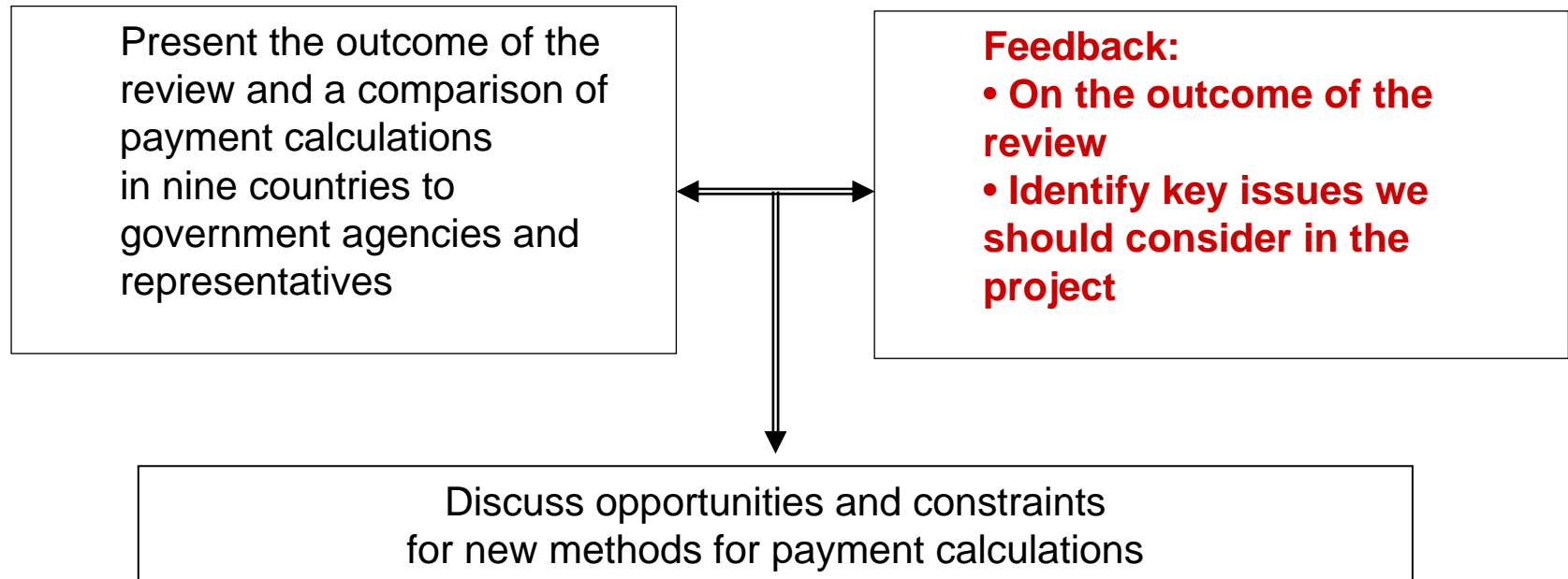
Main tasks (2/2)

- Phase 3: Project synthesis
 - Synthesis of project results
 - Dissemination of results
 - Final report and payment calculation tool
- Where are we now?
 - End of phase 1



Purpose of the workshop (1/2)

- The end of phase 1, the review of payment calculations, provides an opportunity to present first results
- Interaction Research – government agencies



- To take on-going collaborations between partners and national government agencies in the different countries to project level
- First step to ensure suitability of developed methodological grids for end-users

Purpose of the workshop (2/2)

Feedback, for example on:

- **What are the most important issues from your point of view?**
- **What key issues on payment calculations did we miss?**

Project website

AGRIGRID website

www.macauley.ac.uk/agrigrid

