



*Monday 14th June 2010*  
*Sliema - Malta*

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**National Conference on  
Europe's CAP now and  
beyond**

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**Rural Development Policy in line  
with the Europe 2020  
strategy**



## General CAP issues

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The CAP provides a substantial contribution to smart, sustainable and inclusive growth by:

- Promoting a dynamic and competitive EU agri-food sector capable of responding to the long-term global food challenge;
- Preserving the EU's natural resources (biodiversity, water, soil, etc.) and tackling climate change;
- Allowing the growths and jobs potential of the EU's rural areas.



## Where Europe stands now

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The financial crisis has wiped out recent progress:

- **GDP growth:** -4% in 2009, worst since the 1930s;
- **Industrial production:** -20% with the crisis, back to the 1990s;
- **Unemployment levels:**
  - expected to reach 10,3% in 2010 (back to the 1990s level);
  - youth unemployment over 21%.

Therefore, a new strategy “Europe 2020” to return to growth, but not same -unsustainable- growth, rather:

- smart, sustainable and inclusive growth;
- translating into high employment and social-territorial cohesion.



3A-PTA



## Europe 2020: reasons for a new strategy

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<http://ec.europa.eu/eu2020>

A new Strategy is necessary to accelerate and intensify the challenges, to overcome the current economic crisis;

A new Strategy to answer to the competition coming from the developed and developing countries:

- Financial globalization;
- Climate changes;
- Pressure on raw materials.



## EC Draft Communication on the Europe 2020 Strategy

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European Commission, with the Communication of 3 March 2010, launched the “Europe 2020” Strategy.

During its meeting held on 25–26 March 2010, European Council adopted the general framework of the “Europe 2020” Strategy which is to replace the Lisbon Strategy after 2010.

The new agenda will be based on the “**3–5–7**” construction:

- ✓ **3 thematic priorities;**
- ✓ **5 quantitative targets;**
- ✓ **7 flagship** initiatives;
- ✓ **Mobilising existing EU instruments:** Single market; External dimension; Stability & Growth Pact; Cohesion Policy & other financing instruments.



## Europe 2020: 3 interlinked priorities

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### ✓ 3 priorities:

- **Smart growth** → developing an economy based on knowledge and innovation;
- **Sustainable growth** → promoting a more efficient, greener and more competitive economy;
- **Inclusive growth** → promoting a high-employment economy delivering social and territorial cohesion.



## Europe 2020: 5 headline targets

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### ✓ 5 quantitative targets:

- 75% of population aged 20-64 in employment;
- 3% of EU's GDP invested in R&D;
- 20/20/20 climate/energy targets met (incl. 30% emissions reduction if conditions are right);
- Share of early school leavers under 10% and 40% of younger generation with a tertiary degree;
- 20 million less people should be at the risk of poverty.



## Europe 2020: 7 flagship initiatives underpin the targets

Smart Growth	Sustainable growth	Inclusive growth
<p><b>Innovation</b> “Innovation Union” (improving innovative activities)</p>	<p><b>Climate, energy and mobility</b> “Resources efficient Europe” (building of a low carbon economy)</p>	<p><b>Employment and skills</b> “An agenda for new skills and jobs” (increasing the competencies of employees and the modernisation of the labour market)</p>
<p><b>Education</b> “Youth on the move” (helping the new generation to enter in the work market)</p>	<p><b>Competitiveness</b> “An industrial policy for the globalization era” (improving the business environment, promoting sustainable technologies)</p>	<p><b>Fighting poverty</b> “European platform against poverty”</p>
<p><b>Digital society</b> “A digital agenda for Europe” (supporting ICT and Internet access)</p>		



## Europe 2020: New governance

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- ✓ Lead role for the **European Council**, that has to approve detailed indicators and parameters, including the integrated guidelines and national targets;
- ✓ Extended partnership to regions, social partners and civil society:
  - Regions must acknowledge EU priorities, set in regional context;
  - Creation of regional 2020 strategy.



## Europe 2020: existing gaps

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- Avoid the mistakes from the Lisbon Strategy;
- Need of a bottom-up approach;
- Need for ownership and communication;
- Need to involve Regions;
- In this background, “a sustainable, productive and competitive agricultural sector would make an important contribution to the new European strategy for jobs and growth”, **conclusions of the Spring European Council of 25 and 26 March 2010.**



## Rural development policy in line with Europe 2020

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- ✓ **Rural development policy can contribute to “Europe 2020” by:**
  - Maintaining and promoting “green” and innovative technologies;
  - Investing in skills, training and entrepreneurship;
  - Helping to manage natural resources sustainability;
  - Improving competitiveness of farming through efficient resource use;
  - Providing environmental public goods;
  - Developing a low-carbon rural economy;
  - Reducing greenhouses gas emissions from farming;
  - Unlocking the wider potential of rural areas.



## Malta's Rural Development policy in line with Europe 2020 (i)

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The EC Ministers of Agriculture agreed, in the conclusions of the “Agriculture and Fisheries” Council Meeting (Brussels, 29 March 2010) that:

***“Agriculture could play a key role in achieving each of the 3 priorities of Europe 2020 Strategy: Smart Growth (for example through innovations in order to optimise the use of natural resources); Sustainable Growth (for example through bio-energy); Inclusive Growth (for example by keeping jobs and people in rural areas)”.***

Other documentation - Malta's RDP 2007-2013; EURURALIS - a scenario study; 2008 Conference on the CAP and its impact in Malta, plus my international experience, indicates the following issues:



## Malta's Rural Development policy in line with Europe 2020 (ii)

Synthesis on Malta:

Europe 2020 Priorities	EU opportunities	RD Malta's opportunities	RD Malta's risks
smart growth	more knowledge and innovation	<ul style="list-style-type: none"> <li>-create value from typical products</li> <li>-products certification</li> <li>-creation of new professionalisms</li> </ul>	<ul style="list-style-type: none"> <li>-products with low added value</li> <li>-lack of innovation opportunity</li> <li>-loss of professionalisms</li> </ul>
sustainable growth	greener rural economy	<ul style="list-style-type: none"> <li>-create value from the conservation of natural habits and a sustainable resource use</li> <li>-less pesticides</li> <li>-rational use of water</li> </ul>	<ul style="list-style-type: none"> <li>-loss of biodiversity</li> <li>-excess of pesticides and nitrates in water and soil</li> <li>-over-exploitation of water</li> </ul>
inclusive growth	higher employment and territorial cohesion	<ul style="list-style-type: none"> <li>-multifunctional farms</li> <li>-modernize small farms</li> <li>-younger farmers</li> </ul>	<ul style="list-style-type: none"> <li>-depopulation and land abandonment</li> <li>-aging of farmers</li> </ul>



## Malta's Rural Development policy in line with Europe 2020 (iii)

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Considering the current structure of the RDP:

- In reference to Axis 1: Malta is a small country; the creation of producer groups (Measure 142) could help to reach the stabilization of producer prices and to avoid market distortions (Pitkali wholesalers and retailers). The short distances in Malta shall make easier to arrive to the consumers - but it is necessary to guarantee the quality of the products (using Measures 123, 132 and 133).
- In reference to Axis 2: the need of extension of current Axis 2 roles whereby farmers are also caretakers of the environment and contribute to its long term sustainability whilst at the same time providing consumers with quality fresh fruit, meat and vegetables at competitive prices. They will also be the front runners to help protect the countryside against climate change.



## Malta's Rural Development policy in line with Europe 2020 (iv)

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- In reference to Axis 3 and Leader: farmers and herdsman form an integral part of rural society and their presence can constitute a stimulus, not only in a socio-economic sense, but also as key players in maintaining cultural values of the rural heritage.
- Valid for the entire RDP: a qualitative orientated production, recognized at international level, based on producer assistance, environmental sustainability, diversification and quality of life in rural areas, that can also complement the tourist industry in helping to highlight typical Mediterranean tastes and values.



## A virtuous mechanism for Malta's RD policy

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## Valorisation of biodiversity: the genetic bank resource

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- ✓ About the genetic resources of agricultural interest, local varieties represent a precious source of genetic variability that has to be safeguarded, valorised and used.
- ✓ The conservation of the biodiversity is very important in a country like Malta (101 sites under environmental protection regime), in which the climate conditions continuously endangers the species.
- ✓ To protect plants biodiversity (endangered species and varieties of agricultural interest) and to protect microbiological biodiversity (for example lactic bacteria and wine yeasts) **-more in general to preserve autochthonous species through promotion of eco-concepts-** is one of the most important EU priorities.



## Valorisation of biodiversity: the genetic bank resource

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- ✓ It is important to create a cooperation between farmers and scientific community to find concrete models finalized to the conservation of the germplasm of local varieties.
- ✓ In some cases, the conservation of the biodiversity meets the needs of the typical product's valorisation. In that case (genotypic, environmental and anthropical factors are present), the conservation of the biodiversity assumes an economic value.
- ✓ A lot of actual Italian PDO/PGI products was discovered and valorised starting from a punctual and scientific work on the conservation of the biodiversity.



## The agri-food typical products: the case Italy

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✓ The Italian typical products' National Atlas has identified over 4.500 products .

Italy has authorizations for:

✓ **129 PDO** products (on 479 total EU) and **77 PGI** (on 427 total EU)

✓ **350 CDO** and **GCDO** wines and **120 TGI** wines

About Rural Tourism, Italy has:

✓ **142 “wines and tastes routes”**

✓ **18.000 agri-tourisms**

✓ 60.700 olive oil presses and wine cellars opened to the public.



## Why to qualify production through certification

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- ✓ Certification of agricultural food products constitutes an instrument that provides added value and further stimulates an integrated chain of actions that can positively contribute to product quality.
- ✓ Such valorisation, other than reassuring consumers and tourists (Malta has more than 1 million tourists per year), further assists in on-the-job training and constitutes a stimulus for experimentation of new techniques and processes conforming to environmental and alimentary issues, whilst augmenting commercial operational capability.



## What does “certification” mean

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- ✓ Product certification assures conformity with national and international norms.
- ✓ The objective to create added value also serves to highlight specific product characteristics to consumers .

Certification thus implies:

- Reducing costs and non-sales resulting from “non-quality”;
- Assuring conformity of products with national and international standards;
- Contributing to food safety.
- *Pastizzi, gbejniet* and *hobz* are, for example, Maltese typical products ready to be valorized through certification.



## Certification potentialities

- ✓ PDO and PGI products - Reg. EC 510/2006
- ✓ Wines - Reg. EC 479/2008
- ✓ Organic production – Reg. EC 834/2007
- ✓ Technical rules - Reg. EC 1760/2000; ISO 9001:2000; ISO 14001:2004
- ✓ Food Safety Management Systems - ISO 22000:2005
- ✓ Traceability in the feed and food chain - ISO 22005:2008



PDO



PGI



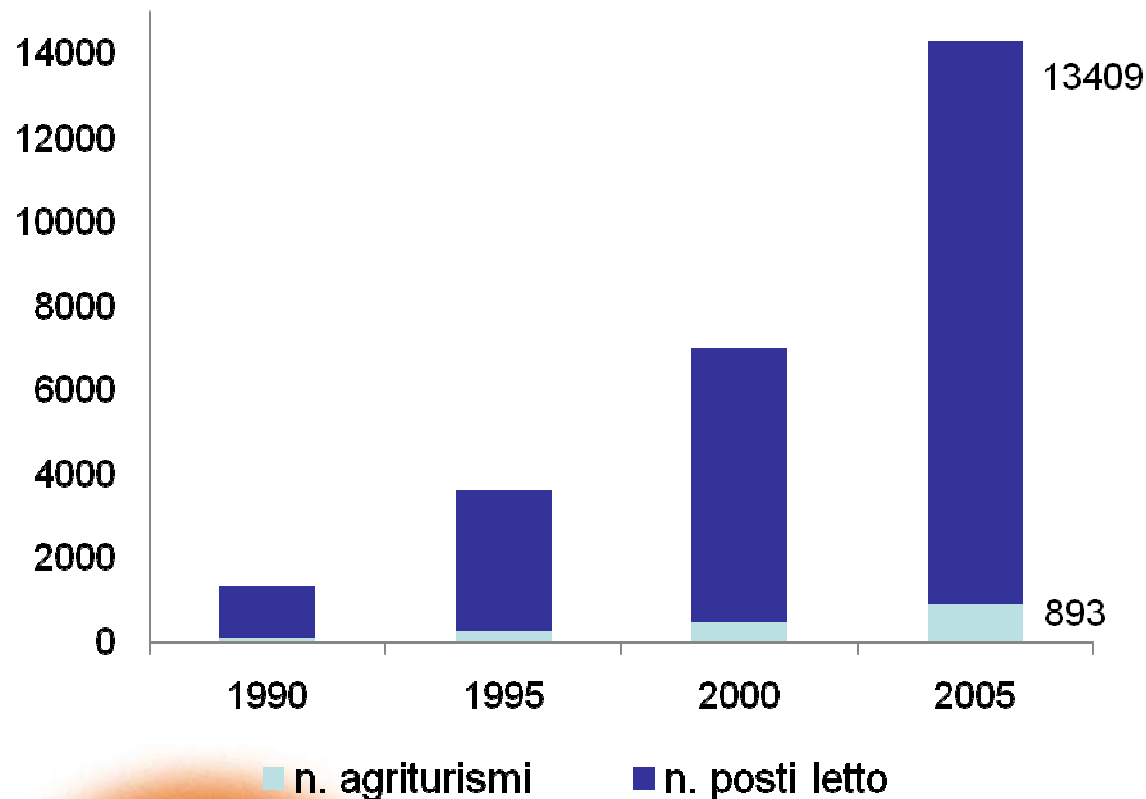
## Multifunctional farms: the rural tourism resource

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**IF WE TYPE THE WORLD  
“AGRITURISMO”  
ON GOOGLE,  
WE’LL FIND 6,400,000 RESULTS**



## Rural tourism: the Umbria Region case



□ 1990-2005:  
from 90 to 893  
agri-tourisms

□ Average  
permanence of  
tourists: 4,15 days

□ Total arrivals:  
156.589 units

□ Work days per  
year: 16.957

*Source: Umbria RDP  
2007-2013*



## Why rural tourism

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Rural tourism helps to:

- ✓ valorise the environmental, cultural and landscape sources;
- ✓ improve quality of the life in the rural areas and avoid the depopulation of marginal areas;
- ✓ realize a sustainable economic development, respecting the territorial peculiarities;
- ✓ diversify the activities of the agricultural farm, linking with other sectors of the local economy.



## Why to qualify the rural tourism

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- ✓ The wealth of agriculture, in terms of typical products, represents the best way to communicate the identity of the territories.
- ✓ Malta, as Italy, is a country rich with potential touristic roads linked to the eno-gastronomy, where tasting of territorial typical products can be developed further.
- ✓ The value chain of the agricultural products is much too complex and, in general, producers obtain a very low price. In the case of rural tourism (and direct sales in the farm) it is not the product that “goes” to consumers (where the distribution and commercial steps raise the prices), but it is the consumer that “goes” to the producer places, creating added value to farmers and herdsman.



## A contribution to create value for the producers

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- ✓ On average, prices increase from 5-6 times from field to table.
- ✓ For example, in Italy, milk at producer price is about € 0,30, but this is sold in the market at about € 1,40. The agricultural value for products as pasta and bread is about 10-12% of the final price of these products!

Potential policies:

- facilitation of arrangements for farmers with regards to product distribution so as to favour more direct approach and sales with consumers.
- Rural tourism can contribute to create agricultural models that incorporate direct sales to consumers** (for example, in Umbria 28% of agri-touristic entities sell products with their own brand name).



# Grazzi!

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