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Editorial

Impact assessment of agri-food policies in Europe: Methods, tools and applications

Decision making implies working at three different levels: (i) the *institutional level* requires to comply with and contribute to existing guidelines and regulations; (ii) the *policy-design level* requires to substantially enhance new findings in order to provide value to ongoing policy reform processes (e.g. Common Agricultural Policy reform); and (iii) the *research level* requires to continuously update the model systems currently involved in impact assessment to allow addressing new research questions and innovate, by incorporating new links to other systems and methods. In this editorial we briefly outline the current trends and topics involved in the quantitative analysis of agri-food Policies in Europe, and provide to the reader a holistic view of the issues analysed in this Special Issue.

1. Impact assessment

Impact assessment (IA) is a regulation process that prepares evidence for political decision-makers on the advantages and disadvantages of possible policy options by assessing their potential impacts (EC, 2009, 2010). Before proposing a new European policy initiative, the European Commission performs an assessment of its most-likely economic, social and environmental consequences (Bäcklund, 2009). For this, a set of logical steps have been set up in a defined impact assessment procedure (EC, 2009), which should provide relevant insight to decision-makers regarding the feasibility of a specific policy proposal. IA is an emerging research field with an increasing demand for operational tools to support policy decisions and facing rapidly changing user requirements to which researchers must continuously adapt. Recent scientific literature demonstrates its growing importance (Parra López, Groot, Carmona-Torresa, & Rossing, 2009; Pope, Annandale, & Morrison-Saunders, 2004; Thiel, 2009). Basically, IA can be regarded as a prerequisite in policy development to address the emerging challenges of sustainable development in a globalised world.

The Institute for Prospective Technological Studies (IPTS), a research body within the European Commission's (EC), plays an important role in the ongoing consultation process for the design and evaluation of policies in agriculture and rural development areas, mainly by stimulating and fostering new developments in this scientific domains. IPTS has initiated during the last decade various modelling activities to directly support scientific decision-making in the areas

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of energy, transport and agriculture, participating in IA activities within large research consortia. Within IPTS, a number of research activities such as database compilation, econometric estimation of supply elasticities, co-development of agro-economic models and compilation of surveys for populating general equilibrium models at micro-regional level, have contributed directly to the advancements of IA related to the analysis of *Agri-food Policies in Europe*. A major part of this modelling effort provides direct and ad-hoc scientific support in the field of agricultural economics to the EC policy decision process by applying different types of quantitative modelling systems in a comprehensive manner. Numerous involvements in Framework Programme projects and other initiatives supplement the advancements in research and foster the research network (Pérez Domínguez, Gay, & M'Barek, 2008).

2. Common agricultural policy

Significant reforms of the Common Agricultural Policy (CAP) have been made in the past decades. Considerable reform efforts took place in 2003 and during the CAP health check in 2008 (EC, 2003, 2010). Key objectives, among others, were to modernize the sector and to make it more market-oriented (EC, 2010). In the context of the Europe 2020 Lisbon strategy, new responses to the economic, social, environmental, climate-related and technological challenges were needed (EC, 2010). The 'new' CAP should contribute more to developing intelligent, sustainable and inclusive growth.

Recent CAP reform steps clearly target market and environmental issues, of which the key elements dealt with are:

- market orientation of the Single Farm Payment (SFP) for EU farmers, so that agricultural payments are independent from production
- further adjustments of the coupled elements of the SFP, so that abandonment of production in sensitive areas is avoided
- connection of the SFP to environmental, food safety, animal/plant health and animal welfare standards
- inclusion of cross-compliance measures in order to keep farmland in good agricultural and environmental conditions
- increase of payments for rural development, in order to strengthen the rural area from a cross-sectoral perspective
- evaluation of further reduction of payments for large farms, also know as 'modulation of payments'
- further reform of the milk and sugar sectors and for specific Common Market Organizations (e.g. rice, durum wheat, starch potatoes and dried fodder sectors)
- application of mechanisms of 'financial discipline', in order to keep a constant budget until 2013

Beyond 2013, further adaptation will coincide with the new constituted EU financial perspective, which is currently under negotiation. Nevertheless, further reductions in the budgetary ceiling of the CAP seem unavoidable, what will most-likely affect direct income support to farmers. On the contrary, targeted payments for the provision of public goods and services in rural areas will gain importance (EC, 2009), specifically to fight climate change, preserve biodiversity and manage water resources. The future CAP should contribute to global food security and provide "green products" in a perspective of sustainability criteria. First issues have been discussed at the Budget