



Factsheet on 2014-2020 Rural Development Programme for Saxony-Anhalt (Germany)

The Rural Development Programme for Saxony-Anhalt (RDP) was formally adopted by the European Commission on December 12, 2014, outlining priorities of Saxony-Anhalt for using the € 1.19 billion of public money that is available for the 7-year period 2014-2020 (€ 778 million from the EU budget, including € 82 million transferred from the German envelope for CAP direct payments, and € 241 million of national co-funding, plus € 98 million of additional national funding top-ups). A focus on strengthening basic services aims to improve ICT provision for 70% of the rural population, and to provide better rural infrastructure for almost 90% of the rural community. More than 20% of agricultural land and 7.5% of forests should be managed to enhance biodiversity as a result of support allocated to better management of natural resources and encouraging climate friendly farming practices.

Rural Development is the 2nd Pillar of the Common Agricultural Policy, providing Member States with an envelope of EU funding to manage nationally or regionally under multi-annual, co-funded programmes. In total, 118 programmes are foreseen in all 28 Member States. The new RD Regulation for the 2014-2020 period addresses six economic, environmental and social priorities, and programmes contain clear targets setting out what is to be achieved. Moreover, in order to coordinate actions better and maximise synergies with the other European Structural & Investment Funds (ESIF), a Partnership Agreement has been agreed with each Member State highlighting its broad strategy for EU-funded structural investment.

This document provides a brief overview of how the challenges and opportunities faced by Saxony-Anhalt are addressed by the RDP. In the annex, a table indicates the priorities and focus areas with their specific targets, and their allocated budget.

1. SITUATION AND KEY CHALLENGES

In Germany rural development is implemented through 13 separate regional RDPs, which broadly correspond to the various *Länder* (but with two joint programmes). However, common elements to several regional programmes are presented in a national framework (NF) established at federal level. In addition to this, a National Rural Network Programme provides the funding for the networking of rural development actors in Germany.

For the Rural Development Programme of Saxony-Anhalt, the programme area covers the entire state of Saxony-Anhalt of 20 450 km² with about 2.3 million inhabitants (population density: 113 per km²), of which live 28% in rural areas. 45% of the area is classified as "predominantly rural" and 55% as "intermediate" according to the urban-rural typology. The unemployment rate in Saxony-Anhalt is 9.8% (November 2014), which is the 4th highest in Germany. Rural depopulation is an increasing problem and the region is more and more facing the negative effects of this development.

Saxony-Anhalt undertook substantial efforts in the field of environment in the last two programming periods, but there is still scope for improvement. Biodiversity is still

declining and there are regions where emissions are too high and the groundwater quality goes beyond the thresholds.

Another key issue in the Saxony-Anhalt RDP is to restore agricultural potential to tackle recurring natural disasters, mainly the flooding of the river Elbe.

Of the total area, forests cover 24%; there are 1.174 million hectares of agricultural land, of which 1 million ha (85 %) arable land. Improving the competitiveness of the farms will be one of the important challenges in this programming period.

2. HOW THE RDP OF SAXONY-ANHALT WILL ADDRESS THESE CHALLENGES

Around 90% of rural population should benefit from new or improved services or infrastructure (village development, investments in high-speed broadband, small scale infrastructure, renewable energy, energy saving, local basic services, rural cultural and natural heritage etc.) that will be supported by € 271 million. Saxony-Anhalt is the only *Land* in Germany which intends to implement LEADER as a multi-fund approach **Community Led Local Development** (CLLD/LEADER). This is expected to support the balanced territorial development of rural economies and communities, thereby improving living conditions in these areas.

One main objective of the RDP is to do more for the preservation of natural resources and cultural landscapes, building on the success of previous schemes. For example, there are measures to help extend the area under organic farming. Saxony-Anhalt has chosen to address this mainly via **ensuring sustainable farming management including organic farming and climate actions**. The aim is also to improve biodiversity, water and soil management with environmentally friendly management practices, by land use change to more climate-friendly practices.

Approximately 10% of the funds (€ 120 million) will be used for risk prevention and management. Under measures for "**Restoring agricultural production potential damaged by disasters and catastrophic events and introduction of appropriate prevention actions**", various operations are foreseen such as renewing and constructing 40 km of dykes and 2 retention basins to minimise the risk of damaging agricultural potential by future flooding, including investment on more than 100 farm holdings.

As an important issue, the RDP aims to foster the competitiveness of the agriculture sector through support for the restructuring or modernisation of roughly 8% of the farms in Saxony-Anhalt. The RDP puts particular emphasis on investments also contributing to environmental and climate objectives. In this context, innovation, as a cross-cutting objective, is an integral part of the Saxony-Anhalt RDP. It plays an important role in linking the highly prioritised environment and climate objectives with the **competitiveness** of the agri-food sector, **businesses in rural areas**, and **balanced territorial development** contributing to the creation of "green jobs".

The Rural Development Programme of Saxony-Anhalt is centred on all six Rural Development Priorities with the main emphasis given to **Promoting social inclusion, poverty reduction and economic development in rural areas** (Priority 6) and **Restoring, preserving and enhancing the ecosystems related to agriculture and forestry** (Priority 4). It is foreseen that RDP support will also tackle disadvantaged areas and showing negative population trends. The focus of each priority is explained briefly below.

P1: Knowledge transfer and innovation in agriculture, forestry and rural areas

The cross-cutting priority "Knowledge transfer and innovation in agriculture, forestry and rural areas" will help the farm sector and rural businesses to incorporate the results of

research and innovation into their production systems. The links between the agricultural production sectors and research will be reinforced through 26 cooperation projects.

P2: Competitiveness of the agricultural sector and sustainable forestry

Farm investments of the pig and cattle sectors aim to restructure 336 farms (8% of the total), simultaneously targeting environment, climate and animal welfare. An important element is innovation, which is facilitated via co-operation, information and knowledge transfer between the agri-food sector, researchers and other stakeholders. Participation in the European Innovation Partnership can also be supported under this priority.

P3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

Restoring agricultural production potential damaged by disasters and catastrophic events and introduction of appropriate prevention actions will be supported. The RDP foresees 11 additional dyke relocation projects and 1 200 ha renewed and new flooding areas will also be funded.

P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry.

Around 36% of the allocated amount will be used for area-based payments to farmers for using environment/climate friendly land management practices, including organic farming. The RDP includes a limited number of highly targeted agri-environmental, climate measures prioritising the most vulnerable areas and water management. This priority also supports environment/climate friendly investments for the rural population and non-productive investments.

P5: Resource efficiency and climate

This priority only targets to a minor extent environmental efforts in forestry, developing and improving the viability of forests.

P6: Social inclusion and local development in rural areas

This priority is implemented mostly by the "bottom-up" approach through Local Development Strategies drawn up by the expected 23 Local Action Groups (LAGs). Investments in the food processing sector, in business start-ups and in basic services will only be supported within the scope of the Local Development Strategies. The focus is on improving living conditions in rural areas, particularly via enhancing basic services, business development, innovation and co-operation. 7.5% of the RDP public support has been earmarked for Community Led Local Development (CLLD/Leader). The approach will improve living conditions for roughly 1.6 million people, 70% of the rural population.

The five **biggest RDP measures** in budgetary terms (total public funding, without transfer from the 1st pillar) are:

- € 361 million allocated for Measure 07 – Basic services and village renewal in rural areas
- € 157 million allocated for Measure 10 – Agri-environment climate measure
- € 753 million allocated for Measure 05 – Restoring agricultural production potential damaged by natural disasters
- € 99 million allocated for Measure 04 – investment in physical assets
- € 80 million allocated for Measure 19 - Cooperation

P1: Knowledge transfer and innovation in agriculture, forestry and rural areas (1)			
1A: fostering innovation, coop, knowledge base 1.01 % RDP expenditure	16 cooperation		
1B: strengthening links (with research, etc.) 26 coop operations	16 cooperation		
P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests		135 700 000	11.38
2A: Farm performance 7.96 % of holdings with RDP support	04 investments	135 700 000	11.38
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture		120 000 000	10.06
3B: Risk management 2.68 % of farms supported 2 irrigation operations 11 dyke relocation projects 1 200 ha renewed and new flooding areas 100 preliminary planning projects for water management infrastructure and installations 2 newly built retention basins 40 km renewed and new dykes	05 Restoring agricult. Potential	120 000 000	10.06
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry (2)		427 986 400	35.90
4A: Biodiversity 21 % UAA under contract 7.5 % forestry land under contract 150 operations supporting studies/investments for the cultural and natural heritage in rural areas including areas with high nature value	04 investments	3 999 900	0.34
	07 basic services	90 666 667	7.60
	08 forest investments	22 833 333	1.92
4B: Water management 0.26 % UAA under contract	10 AgEnvClimate	160 044 283	13.42
	11 organic farming	70 666 667	5.93
	12 Nat2000 and WDF	23 333 333	1.96
4C: Soil erosion and management 9.5 % UAA under contract	13 ANC	52 708 883	4.42
	15 forest EnvClimate	3 733 334	0.31
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors		2 666 600	0.22
5E: Carbon conservation 1.29 % UAA under contract	08 forest investments	2 666 600	0.22
P6: Promoting social inclusion, poverty reduction and economic development in rural areas		464 475 626	38.96
6B: Leader 69.17 % rural pop in LDS 88.62 % rural pop improved services 55 jobs created	07 basic services	257 766 667	21.62
	16 cooperation	11 111 111	0.93
	19 LEADER	88 931 181	7.46
6C: ICT 70.46 % rural pop improved services (ICT)	07 basic services	106 666 667	8.95
Technical assistance		41 472 533	3.48
TOTAL PUBLIC ALLOCATIONS		1 192 301 159	100.00