



Factsheet on 2014-2020 Rural Development Programme for Austria

The Austrian Rural Development Programme (RDP) was formally adopted by the European Commission on December 12, 2014, outlining Austria's priorities for using the 7.8 billion EUR of public money that is available for the 7 year period 2014-2020 (3.94 billion EUR from the EU budget and 3.76 billion EUR of national co-funding, plus 111 million EUR of additional national funding top-ups).

With 71% of the support allocated to better management of natural resources and encouraging climate friendly farming practices, one of the objectives of the RDP is that close to 80% of the agricultural area is under contract for agri-environment schemes, organic farming or as Areas of Natural Constraint, and that roughly 600 000 training places will be created to boost innovation and more sustainable agricultural practices. Further measures include investment in farm structures (20 000 farm holdings) and rural infrastructure.

Support for 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, some 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 Austria are addressed by the RDP. In the annex, a table indicates the priorities and focus areas with their specific targets, and their allocated budgets.

1. SITUATION AND KEY CHALLENGES

Austria covers an area of 83 879 km² of which almost **80% is rural**. Of the total area, 32% is agricultural land while forests cover 44 %. The total population is 8.4 million – of which **66 % live in rural areas**.

The unemployment rate in Austria is 5.1% (Nov 2014), which is one of the lowest in the EU.

Austrian agriculture is characterized by small-scale structures where farming is difficult. To improve the competitiveness of these farms will be one of the key challenges in this programming period.

87% of farm holdings are located in mountain areas and areas facing natural or other specific constraints. To support these farmers in continuing farming and thus guaranteeing their living conditions will be another challenge.

Although Austria undertook big efforts in the field of environment in the last two programming periods, there is scope for improvement. Biodiversity is still declining and there are regions where emissions are too high and the groundwater quality goes beyond the thresholds.

Rural depopulation is an increasing problem in Austria and regions are more and more facing the negative effects of this development.

2. HOW THE AUSTRIAN RDP WILL ADDRESS THESE CHALLENGES

In order to foster the competitiveness of the agriculture sector further, the RDP puts particular emphasis on investments contributing to environmental and climate objectives. In this context, innovation, as a cross-cutting objective, is an integral part of the Austrian 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".

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, even though nearly one fifth of Austrian farm area is already organic. Austria has chosen to address this mainly via **ensuring sustainable farming management including organic farming and climate actions**. Austria aims to improve biodiversity, water and soil management with environmentally friendly management practices, by land use change to more climate-friendly practices.

In addition, **Community Led Local Development** (CLLD/Leader) are expected to support the balanced territorial development of rural economies and communities, thereby creating jobs and improving living conditions in these areas.

The Austrian Rural Development Programme is centred on all six Rural Development Priorities with the main emphasis given to **restoring, preserving and enhancing the ecosystems related to agriculture and forestry** (Priority 4). It is foreseen that RDP support will also lead to the creation of more than 800 jobs, most of these being in the most remote and disadvantaged areas and showing negative population trends. The focus of each priority is explained briefly below.

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. Transfer of knowledge will be provided through training of more than 600 000 participants over the period, mainly farmers. The links between the agricultural production sectors and research will be reinforced through 645 cooperation projects.

Competitiveness of the agricultural sector and sustainable forestry

Farm investments of the pig and cattle sectors aim to restructure 20 000 farms (13 % 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. More than 600 co-operation projects will be established, while a total number of 600 000 participants will be trained. Participation in the European Innovation Partnership can also be supported under this priority.

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

Primary producers will be supported by better integrating them into the agri-food chain through quality schemes (around 45 000 farm holdings), adding value to agricultural products, promoting local markets, short supply chains and producer groups.

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

Around 61% of the allocated amount will be used for area-based payments to farmers for using environment/climate friendly land management practices, including organic farming. Austria already has the highest proportion of its agricultural area farmed organically of any EU Member State (20%). Additionally, the RDP includes a limited number of highly targeted agri-environmental, climate measures prioritising the most vulnerable areas (for example Natura2000 and High Nature Value areas), and water management. This priority also supports environment/climate friendly farm investments and non-productive investments. The aim is that nearly 80% of the agricultural area will be under contracts of AECM, OF and ANC.

Resource efficiency and climate

The priority is for investments, namely for energy efficiency, emission reduction and renewable energy production on farms and in rural areas. Non-productive investments and changes in land use from arable land to extensive farming areas will also be supported. Environmental efforts in forestry will be encouraged as well, with over 1 000 investment project foreseen for developing and improving the viability of forests.

Social inclusion and local development in rural areas

This priority is implemented entirely by the "bottom-up" approach through Local Development Strategies drawn up by the expected 75 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 growth and jobs in addition to improving living conditions in rural areas, particularly via business development, innovation and co-operation. 5.5% of the RDP public support has been earmarked for Community Led Local Development (CLLD/Leader). The approach will cover 75 % of the rural population creating both jobs – 490 new jobs expected - and improving living conditions.

The five **biggest RDP measures** in budgetary terms (total public funding) are:

- 2.24 billion EUR allocated for Measure 10 – Agri-Environment Climate Measure
- 1.79 billion EUR allocated for Measure 13 – Payments to areas facing natural or other specific constraints
- 885 million EUR allocated for Measure 4 – investment in physical assets
- 785 million EUR allocated for Measure 11 - Organic farming
- 753 million EUR allocated for Measure 7 – Basic services and village renewal in rural areas

Annex I: Indicative public support for the Austrian Rural Development Programme			
Focus Area and targets	Measure	€ Total public	%
P1: Knowledge transfer and innovation in agriculture, forestry and rural areas (1)			
1A: fostering innovation, coop, knowledge base	01 knowledge		
2.85 % RDP expenditure	02 advisory services		
	16 cooperation		
	16 cooperation		
1B: strengthening links (with research, etc.) 645 coop operations	01 knowledge		
1C: training 609 000 participants	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		869 370 000	11.13%
2A: Farm performance	01 knowledge	28 164 500	0.36%
13.32 % of holdings with RDP support	02 advisory services	7 350 000	0.09%
	04 investments	728 190 000	9.32%
	16 cooperation	7 000 000	0.09%
	01 knowledge	8 235 500	0.11%
2B: Entry of skilled farmers, generation renewal	02 advisory services	630 000	0.01%
4.93 % of holdings with RDP support	06 development	89 500 000	1.15%
	16 cooperation	300 000	0.00%
	P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture		481 887 500
3A: Improving competitiveness	01 knowledge	19 292 000	0.25%
30.63 % of holdings with RDP support	02 advisory services	1 050 000	0.01%
	03 quality schemes	133 000 000	1.70%
	04 investments	99 045 000	1.27%
	14 animal welfare	210 000 000	2.69%
	16 cooperation	17 580 000	0.23%
	01 knowledge	1 410 500	0.02%
3B: Farm risk prevention and management (3)	02 advisory services	210 000	0.00%
2 450 participants	16 cooperation	300 000	0.00%
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry (2)		5 156 484 523	66.01%
4A: Biodiversity	01 knowledge	38 797 500	0.50%
83.15 % UAA under contract 0.05 % forestry land under contract	02 advisory services	4 200 000	0.05%
	04 investments	17 633 000	0.23%
	07 basic services	172 300 000	2.21%
4B: Water management	08 forest investments	99 050 000	1.27%
75.26 % UAA under contract	10 AgEnvClimate	2 218 604 023	28.40%
	11 organic farming	784 600 000	10.04%
	12 Nat2000 and WDF	3 500 000	0.04%
	4C: Soil erosion and management	13 ANC	1 794 100 000

78.50 % UAA under contract	15 forest EnvClimate	7 000 000	0.09%
2.91 % forestry land under contract	16 cooperation	16 700 000	0.21%
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors		244 962 352	3.14%
5A: Water efficiency	01 knowledge	557 375	0.01%
6.04 % UAA under contract	02 advisory services	210 000	0.00%
	04 investments	4 732 000	0.06%
	16 cooperation	650 000	0.01%
	5B: Energy efficiency (3)	01 knowledge	2 684 500
12 250 participants	02 advisory services	1 050 000	0.01%
	16 cooperation	650 000	0.01%
	5C: Renewable energy	01 knowledge	1 205 750
€ 585.28 m investment	02 advisory services	1 470 000	0.02%
	04 investments	35 000 000	0.45%
	06 development	32 801 000	0.42%
	07 basic services	111 650 000	1.43%
	08 forest investments	28 000 000	0.36%
	16 cooperation	650 000	0.01%
	5D: Reducing GHG and NH3	01 knowledge	602 875
3.36 % UAA under contract	02 advisory services	420 000	0.01%
	10 AgEnvClimate	20 095 977	0.26%
	16 cooperation	650 000	0.01%
	5E: Carbon conservation (3)	01 knowledge	602 875
4 470 participants	02 advisory services	630 000	0.01%
	16 cooperation	650 000	0.01%
	P6: Promoting social inclusion, poverty reduction and economic development in rural areas		827 895 625
6A: Small enterprises	01 knowledge	13 343 750	0.18
310 jobs created	02 advisory services	4 606 000	0.06
	06 development	53 823 000	0.71
	16 cooperation	39 570 000	0.52
	6B: Leader	07 basic services	416 246 000
74.88 % rural pop in LDS	16 cooperation	300 000	0.00
	19 LEADER	246 204 000	3.25
	54.46 % rural pop improved services		
490 jobs created			
6C: ICT	01 knowledge	602 875	0.01
41.75% pop benefitting	07 basic services	53 200 000	0.70
Technical assistance		230 996 314	2.96%
TOTAL PUBLIC ALLOCATIONS		7 811 596 314	100.00%