



Factsheet on 2014-2020 Rural Development Programme for the German Land Bavaria

The Rural Development Programme (RDP) for Bavaria was formally adopted by the European Commission on 13 February 2015, outlining Bavaria's priorities for using the € 3.5 billion of public money that is available for the 7-year period 2014-2020 (€ 1.5 billion from the EU budget including the transfer of 4.5 % from the 1st pillar to the 2nd pillar, and € 1.1 billion of national co-funding plus € 926 million of additional national to-ups).

The RDP for Bavaria focuses mainly on Rural Development Priority 4 – restoring, preserving and enhancing ecosystems related to agriculture and forestry. **13 % of farmland** will be placed under funded contracts for improving **biodiversity**, with land also under contracts for better **water and soil management**. With regard to other priorities, around **5 % of farms** will receive support to **invest in greater competitiveness**, and **€ 400 million of investments in energy efficiency** are expected.

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, 118 programmes are foreseen in all 28 Member States. The new RD Regulation for the period 2014-2020 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 Bavaria is facing are addressed by the RDP. In the annex, a table indicates the priorities and focus areas - each 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, elements common to 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.

Bavaria covers an area of 70 550 km² (20 % of the German territory), of which 49 % is agricultural area and 35 % is covered by forest. Of the total agricultural land (3.1 million ha in 2010), 65 % is arable land and 34 % permanent grassland, with a trend of conversion of grassland into arable land.

Bavaria has 12.6 million inhabitants (15 % of the German population), of which 76% live in rural areas. The agriculture and food sectors both play an important role within rural areas, but both are facing structural changes.

Bavaria's rural areas are challenged by a persistent loss of business activity, migration of the labour force, and demographic changes. A key characteristic of the agricultural sector is the especially high proportion of part-time farmers and small farms in Bavaria's 98 000 holdings.

The key environmental challenges in Bavaria remain climate change, a loss of permanent grassland, nitrate pollution of surface and groundwater bodies, the continued loss of biodiversity, erosion, and land conversion for housing and infrastructure.

2. HOW THE BAVARIAN RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, the Bavarian RDP will fund action under five out of six Rural Development Priorities – with a particular emphasis on **restoring, preserving and enhancing ecosystems related to agriculture and forestry**. The focus of each priority is explained briefly below. (Priority 3 - food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture - will be addressed only through nationally funded measures.)

Knowledge transfer and innovation in agriculture, forestry and rural areas

This cross-cutting Priority will be addressed mainly with nationally funded measures in the fields of **training** and **farm advisory services**, but also through support for cooperation in the framework of the **European Innovation Partnership** for Agricultural Productivity and Sustainability.

Competitiveness of agricultural sector and sustainable forestry

Nearly 5 % of farms will receive **funding for investments** – focused on innovative potential, young farmers, organic farming, animal welfare and resource efficiency. This funding will also cover land consolidation and agricultural access roads, and will be complemented by support for the **European Innovation Partnership**, as well as by funding for **farm diversification**.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

13 % of farmland will be placed under funded contracts for improving **biodiversity**, with land also under contracts for better **water and soil management** – through practices such as organic farming and crop diversification. Support for **environmental investments in farms and forests** will complement this contractual support.

Resource efficiency and climate

The above-mentioned support for **farm investments** will help to address this priority, as the investments will be required to improve efficiency with water and other resources. **7 % of farmland** will be under funded contracts for cutting greenhouse gas and ammonia emissions, and **4 %** under contracts for action contributing to **carbon sequestration**. Additionally, the "co-operation" measure will support enhanced sustainability through the **European Innovation Partnership** and through **cooperation for climate change adaptation and mitigation**.

Social inclusion and local development in rural areas

The programme will fund **Local Development Strategies** drawn up by Local Action Groups under the LEADER approach: these will cover areas containing **57 % of the**

rural population. There will also be support for other co-operation projects and village renewal. Almost **280 new jobs** are to be created and nearly **11 % of the rural population** will benefit from **new or improved broadband infrastructure** thanks to fresh investment.

The four ***biggest RDP measures*** in budgetary terms (EAFRD) are:

- € 600 million allocated to M10: Agri-environment-climate payments
- € 388 million allocated to M13: Payments to areas facing natural or other specific constraints
- € 206 million allocated to M11: Organic Farming
- € 162 million allocated to M04: investments in physical assets

Annex 1: Indicative public support for the Rural Development Programme in Bavaria

BAVARIA			
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 0.2 % RDP expenditure	16 Cooperation		
1B: Strengthening links (with research, etc.) 12 Co-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		473,000,000	13.29
2A: Farm performance 4.76 % of holdings with RDP support	04 Investments 16 Cooperation	466,000,000 7,000,000	13.10 0.29
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry (2)		1,945,378,442	54.68
4A: Biodiversity 12.97 % UAA under contract	04 Investments 10 AgEnvClimate	14,000,000 743,378,442	0.39 20.89
4B: Water management 2.65 % UAA under contract	11 Organic farming	412,000,000	11.58
4C: Soil erosion and management 2.23 % UAA under contract	13 ANC	776,000,000	21.81
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors		371,400,282	10.44
5B: Energy efficiency € 400 million investment	04 Investments	80,000,000	2.25
5D: Reducing GHG and NH3 7.01 % UAA under contract	10 AgEnvClimate	76,611,312	2.15
5E: Carbon conservation 3.87 % UAA under contract	10 AgEnvClimate	214,788,970	6.04
P6: Promoting social inclusion, poverty reduction and economic development in rural areas		753,000,000	21.16
6A: Small enterprises 180 jobs created	06 Development	11,500,000	0.32
6B: Leader - local development in rural areas 56.68 % rural pop in LDS 10.31 % rural pop improved services 100 jobs created	07 Basic services 19 LEADER	584,500,000 157,000,000	16.43 4.41
Technical assistance		15,159,754	0.43
TOTAL PUBLIC ALLOCATIONS		3,557,938,478	100

(1) No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas

(2) Expenditure under priority 4 is programmed for the priority as a whole, not for individual focus areas