



Factsheet on 2014-2020 Rural Development Programme for Germany/Rhineland-Palatinate

The Rural Development Programme (RDP) for Rhineland-Palatinate (RP) was formally adopted by the European Commission on 26 May 2015, outlining Rhineland-Palatinate's priorities for using about € 661 million of public money that is available for the 7-year period 2014-2020 (€ 300 million from the EU budget, including € 53 million transferred from the German envelope for CAP direct payments, and € 221 million of national co-funding plus € 140 million of additional national funding top-ups).

The RDP for Rhineland-Palatinate focuses mainly on 3 priority areas. Under the first of these – restoring, preserving and enhancing ecosystems related to agriculture and forestry – nearly 33% of farmland will be placed under funded contracts to improve biodiversity, more than 40% to improve water management and 22% to improve soil management and prevent soil erosion. Under the second – competitiveness of the agricultural sector and sustainable forestry – 5.8% of agricultural holdings will receive support for investments in restructuring or modernisation, and 7.8% of agricultural areas will be restructured through land consolidation to increase efficiency. The third priority emphasised is that of social inclusion and local development in rural areas. This will be addressed mainly through the LEADER approach to local development, which will cover around 55% of the rural population.

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 multiannual, 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. It put also emphasis on networking activities at EU and national level. 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 Rhineland-Palatinate 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, 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.

With a population of 4 million inhabitants, only 24% of the population lives in predominantly rural areas and 53% lives in intermediate areas. The unemployment rate is 4% (2012).

Rhineland-Palatinate covers an area of 19 854 km², of which 45% is rural. Of the total area, agricultural land covers nearly 36% and forest land 42%.

Of the agricultural area (705 220 ha in 2010), 57% is arable land and 33% is permanent grassland. Permanent crops cover the remaining 10%. The particular feature of Rhineland-Palatinate is the high use of land for growing grapes. Vineyards cover 9% of the agricultural land, the highest percentage in Germany.

There are nearly 20 600 agricultural holdings in total. Almost 2 000 have a size above 100 ha; the average size is 34 ha - far below the federal average of 56 ha.

It is intended to ensure sustainable, environmentally friendly and market-oriented land use by the protection, conservation and improvement of natural capital. A need for action is seen regarding soil and water conservation and the preservation or improvement of biodiversity. A continuous extension of areas used for organic farming is envisaged. Given the structural situation, continued development of agricultural holdings is required to ensure sustainable management in all parts of Rhineland-Palatinate. In addition, in order to improve the competitiveness of the agricultural sector Rhineland-Palatinate seeks to increase resource efficiency and to enhance animal welfare. With the support of regional marketing initiatives, the added value in local areas should be increased and the economy made stronger through greater sustainability.

2. HOW RHINELAND-PALATINATE'S RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, Rhineland-Palatinate's RDP will fund actions under all six Rural Development priorities – with a particular emphasis on **restoring, preserving and enhancing ecosystems related to agriculture and forestry, competitiveness of the agri-sector and sustainable forestry**, as well as **social inclusion and local development in rural areas**. The focus of each priority is explained briefly below.

Knowledge transfer and innovation in agriculture, forestry and rural areas

This cross-cutting Priority – under which there will a focus on resource efficiency and on supporting the shift towards a low-carbon and climate-resilient economy in the agricultural, food and forestry sector - will be addressed mainly through measures supporting training and advisory services for people and businesses in rural areas: an expected **1 400 participants will be trained**. There will also be support for cooperation in the framework of the European Innovation Partnership for Agricultural Productivity and Sustainability.

Competitiveness of agri sector and sustainable forestry

Besides previously mentioned support for training, nearly **6% of farms** will receive **funding for investments** – focused on better animal husbandry / welfare, high-quality production, and improved working conditions.

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

Funding will encourage farmers to form **producer groups** in order to respond to the concentration of buying power in the agri-food sector and to improve farmers' position in markets. About **1%** of agricultural holdings will receive support to find new ways to help the **food supply chain to operate better** and more efficiently.

At the same time, more than **2% of farms** will receive funding for **participating in risk management schemes**, particularly approximately 20 000 ha of land cultivated with vegetables and wine near the river Nahe and the Upper Rhine which are threatened by floods.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Rhineland-Palatinate will improve biodiversity and water and soil management through support for various environmentally friendly management practices – including organic farming, less use of fertilisers and pesticides and protection of habitats. As a result, more than **32% of farmland** will be under **funded contracts to improve biodiversity**, more than **40% to improve water management** and **22% to improve or prevent soil erosion**. Support for **environmental investments** will complement these annual area-based payments.

Resource efficiency and climate

The emphasis in Rhineland-Palatinate will be on **investments** in more efficient irrigation systems for the sake of increasing **efficiency in water use**. By improving the regional irrigation infrastructure, groundwater withdrawal has to be excluded by surface water use. It is intended that about **10% of irrigated land will switch to more efficient irrigation systems**.

Efficiency in energy use, the supply and use of renewable sources of energy, reductions to greenhouse gas and ammonia emissions, as well as carbon conservation and sequestration, will be supported by advisory and farm management services.

Social inclusion and local development in rural areas

The programme will fund Local Development Strategies drawn up and implemented by Local Action Groups under the LEADER approach: these will cover **areas containing about 55% of the rural population**. There will also be support for other co-operation projects and for village renewal.

The four **biggest RDP measures** in budgetary terms (total public funding incl. top-ups) are:

- € 212 million allocated to M04 (Investments in physical assets)
- € 156 million allocated to M10 (Agri-environment-climate)
- € 122 million allocated to M11 (Organic farming)
- € 71 million allocated to M19 (LEADER / CLLD: community-led local development)

Annex 1: Indicative public support for the Rural Development Programme in Rhineland-Palatinate (Germany)

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Annex 1: Indicative public support for the Rural Development Programme in Rhineland-Palatinate / Germany			
Target	Measure	€ Total public	%
Priority 1: Knowledge transfer and innovation in agriculture, forestry and rural areas (1)			
1A Fostering innovation, cooperation, knowledge base	01 knowledge		
2.29 % of RDP expenditure	02 advisory		
	16 cooperation		
1B Strengthening links (with research, etc.)	16 cooperation		
33 cooperation projects			
1C Training	01 knowledge		
1 375 participants trained			
Priority 2: Farm viability, competitiveness and sustainable forest management		188 468 333	28.45
2A Economic performance, restructuring & modernisation	01 knowledge	1 000 000	0.15
5.84 % of holdings with RDP support	02 advisory	800 000	0.12
7.80 % of area restructured due to land consolidation	04 investments	184 500 000	27.85
	16 cooperation	2 168 333	0.33
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		42 620 000	6.43
3A Improving competitiveness of primary producers	01 knowledge	700 000	0.11
0.73 % of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations	02 advisory	400 000	0.06
	04 investments	13 520 000	2.04
2.70 % of agricultural holdings participating in information measures	16 cooperation	2 000 000	0.30
3B: Farm risk prevention and management	05 restoring agric. potential	26 000 000	3.92
2.43 % of farms participating in risk management schemes			
2.40 % of agricultural holdings in relation to the total number of potentially endangered agricultural holdings benefiting from flood protection measures			
Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry (2)		288 450 000	43.54
4A Biodiversity	01 knowledge	800 000	0.12
32.86 % of agricultural land under contracts	02 advisory	800 000	0.12
4B Water management	07 basic services	8 000 000	1.21
40.32 % of agricultural land under contracts	10 AEC	156 000 000	23.55
	11 organic farming	122 000 000	18.42
4C Soil erosion and management	16 cooperation	850 000	0.13
22.16 % of agricultural land under contracts			

Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors		18 500 000	2.79
5A Water efficiency	02 advisory	400 000	0.06
10.07 % of irrigated land switching to more efficient irrigation systems	04 investments	14 000 000	2.11
	16 cooperation	500 000	0.08
5B Energy efficiency (3)	02 advisory	400 000	0.06
0.13 % of expenditure of Art. 14,15 and 35 of Reg.(EU) N° 1305/2013 in relation to total RDP expenditure	16 cooperation	500 000	0.08
5C Renewable energy (3)	02 advisory	400 000	0.06
0.13 % of expenditure of Art. 14,15 and 35 of Reg.(EU) N° 1305/2013 in relation to total RDP expenditure	16 cooperation	500 000	0.08
5D Reducing GHG and NH3 (3)	02 advisory	400 000	0.06
0.13 % of expenditure of Art. 14,15 and 35 of Reg.(EU) N° 1305/2013 in relation to total RDP expenditure	16 cooperation	500 000	0.08
5E Carbon conservation and sequestration (3)	02 advisory	400 000	0.06
0.13 % of expenditure of Art. 14,15 and 35 of Reg.(EU) N° 1305/2013 in relation to total RDP expenditure	16 cooperation	500 000	0.08
Priority 6: Social inclusion, poverty reduction and economic development in rural areas		100 792 309	15.22
6A Diversification, creation of small enterprises and jobs	01 knowledge	700 000	0.11
15 jobs created in supported projects	02 advisory	400 000	0.06
	06 farm business / development	11 420 000	1.72
6B Fostering local development	19 LEADER and CLLD	71 172 309	10.74
54.81 % rural population under local development strategies 0 % rural population with improved services/infrastructure 50 jobs created (via LEADER)			
6C Access to and quality of ICT	07 basic services	17 100 000	2.58
3.55 % rural population benefitting from new or improved services/infrastructures (ICT)			
Technical assistance		23 600 000	3.56
TOTAL PUBLIC EXPENDITURE €		662 430 642	100.00

(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

(3) Programme specific indicator provided