



## 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 12 December 2014 and last amended on 16 February 2018, outlining priorities of Saxony-Anhalt for using the € 1.2 billion of public money that is available for the 7-year period 2014-2020 (€ 859 million from the EU budget, including € 81 million transferred from the German envelope for CAP direct payments, and € 239 million of national co-funding, plus € 119 million of additional national funding top-ups).

Very strongly focused on the strengthening of basic services, the programme aims to improve the provision of ICT services/infrastructure for 70% of the rural population, and to provide altogether better rural infrastructure for almost 90% of the rural community. More than 18% of agricultural land and 6% of forests should be placed under contracts for enhancing biodiversity based on the support allocated to better management of natural resources and by encouraging climate-friendly farming practices.

Rural Development is the 2<sup>nd</sup> 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 implemented in all 28 Member States. The 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, 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.

For the Rural Development Programme of Saxony-Anhalt, the programme area covers the entire state of Saxony-Anhalt of 20 450 km<sup>2</sup> with about 2.2 million inhabitants (population density: 113 per km<sup>2</sup>), of which 33% live in rural areas. 54% of the area is classified as "predominantly rural" and 46% as "intermediate" according to the urban-rural typology. The unemployment rate in Saxony-Anhalt is 7.4% (2016), which is the

2<sup>nd</sup> 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 groundwater quality does not meet the relevant thresholds.

Another central element in the RDP of Saxony-Anhalt is the restoration of agricultural potential in order to tackle recurring natural disasters, mainly the flooding of the Elbe river.

Of the total area, forests cover 23%; there are 1.173 million ha of agricultural land, of which 1 million ha (85%) is arable land. Improving the competitiveness of farms is 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 € 257 million. Saxony-Anhalt is the only *Land* in Germany that implements LEADER within the framework of the multi-funded **Community-Led Local Development** (CLLD/LEADER). This is expected to support a balanced territorial development of rural economies and communities, thus 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. 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 by applying environmentally and climate friendly management practices. Vulnerable to flooding, Saxony-Anhalt is also implementing a comprehensive flood protection strategy, partly supported by EAFRD, in order to **restore agricultural production potential damaged by disasters and catastrophic events and to introduce appropriate prevention actions**.

The RDP of Saxony-Anhalt addresses five out of six Rural Development Priorities. It is centred on **promoting social inclusion, poverty reduction and economic development in rural areas** and **restoring, preserving and enhancing the ecosystems related to agriculture and forestry**. The focus of each addressed priority is explained briefly below.

### Knowledge transfer and innovation in agriculture, forestry and rural areas

This cross-cutting priority will help farmers 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.

### Competitiveness of agricultural sector and sustainable forestry

Farm investments aim to restructure 336 farms (8% of the total), simultaneously targeting environment, climate and animal welfare. At the same, support is to be provided to 50 young farmers, thus facilitating their entry into the agricultural sector and stimulating the generational renewal in the region.

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

This priority is focused on a comprehensive regional flood protection strategy. Approximately 10% (€ 120 million) of the entire RDP budget is dedicated to risk prevention and management measures targeted at the protection of roughly 144 000 ha of agricultural area under risk of flooding, and aiming to reach more than 100 agricultural holdings.

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

Some 35% of the total RDP budget will be used for environment and climate friendly land management practices aiming at 6% of forest area and 18% of agricultural land under management contracts supporting biodiversity, and at 9% of agricultural land under contracts improving soil management and preventing soil erosion. This priority also supports investments for preserving natural heritage and improving water management as well as non-productive investments.

#### 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 23 Local Action Groups (LAGs). The focus is on improving the quality of life in rural areas, particularly by enhancing basic services, business development, innovation and co-operation. 7.3% of the RDP public support has been earmarked for Community-Led Local Development (CLLD/Leader). The approach will improve living conditions for 70% of the rural population.

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

- € 454 million allocated to Measure 07 – Basic services and village renewal in rural areas
- € 156 million allocated to Measure 04 – Investment in physical assets
- € 141 million allocated to Measure 10 – Agri-environment climate measure
- € 120 million allocated to Measure 05 – Restoring agricultural production potential damaged by natural disasters
- € 100 million allocated to Measure 11 – Organic farming

## Annex 1: Indicative public support for the Rural Development Programme of Saxony-Anhalt

Target	Measure	Indicative public support	%	
<b>P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas</b>		<b>0,00</b>		
<b>1A Innovation, cooperation, knowledge</b>		<b>0,00</b>		
T1: percentage of expenditure under Articles 14, 15 and 35 of Regulation (EU) No 1305/2013 in relation to the total expenditure for the RDP (focus area 1A)	1,01 M16 Cooperation	0,00		
<b>1B Research &amp; innovation</b>		<b>0,00</b>		
T2: Total number of cooperation operations supported under the cooperation measure (Article 35 of Regulation (EU) No 1305/2013) (groups, networks/clusters, pilot projects...) (focus area 1B)	26,00 M16 Cooperation	0,00		
<b>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</b>		<b>155.700.000,00</b>	<b>12,78%</b>	
<b>2A Farm performance</b>		<b>Total: 2A</b>	<b>152.300.000,00</b> <b>12,50%</b>	
T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	7,96 M04 Physical Investment	152.300.000,00	12,50%	
Total investment € (public + private)	306.149.328,00			
Nr of holdings supported for investment in agricultural holdings (4.1)	336,00			
<b>2B New farmers</b>		<b>Total: 2B</b>	<b>3.400.000,00</b> <b>0,28%</b>	
T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	1,18 M06 Farm and business development	3.400.000,00	0,28%	
Nr of beneficiaries (holdings) receiving start up aid young farmers (6.1)	50,00			
<b>P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture</b>		<b>120.000.000,00</b>	<b>9,85%</b>	
<b>3B Risk management</b>		<b>Total: 3B</b>	<b>120.000.000,00</b> <b>9,85%</b>	
T7: percentage of farms participating in risk management schemes (focus area 3B)	2,68 M05 Restoring agricultural potential	120.000.000,00	9,85%	
Nr of beneficiaries for preventive actions (5.1) - farm holdings	113,00			
<b>P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry</b>		<b>432.334.500,00</b>	<b>35,49%</b>	
<b>4A Biodiversity, HNV and landscapes</b>		<b>Total: P4</b>	<b>432.334.500,00</b> <b>35,49%</b>	
T8: percentage of forest/other wooded area under management contracts supporting biodiversity (focus area 4A)	6,40 M04 Physical Investment	3.999.900,00	0,33%	
T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)	18,19 M07 Basic services	89.666.667,00	7,36%	
<b>4B Water management</b>		M08 Forest	20.499.933,00	1,68%
T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	0,26 M10 Agri-environment-climate	141.809.383,00	11,64%	
<b>4C Soil management</b>		M11 Organic Farming	100.366.667,00	8,24%
T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	9,03 M12 NAT 2000 & WFD	19.549.733,00	1,60%	
<b>P4 All Focus Areas</b>		M13 Areas with natural constraints	52.708.883,00	4,33%
Total investment € (public + private)	3.999.900,00	M15 Forest-environment	3.733.334,00	0,31%
Areas under forest environment contracts (15.1)	9.500,00			
Area (ha) under agri-environment-climate (10.1)	251.700,00			
Area (ha) - conversion to organic farming (11.1)	3.500,00			
Area (ha) - maintenance of organic farming (11.2)	47.150,00			
Area (ha) - NATURA 2000 AG land (12.1)	17.000,00			

<b>P6: Promoting social inclusion, poverty reduction and economic development in rural areas</b>			<b>464.475.626,00</b>	<b>38,12%</b>
<b>6B Local development</b>		<b>Total: 6B</b>	<b>357.808.959,00</b>	<b>29,37%</b>
T21: percentage of rural population covered by local development strategies (focus area 6B)	69,17	M04 Physical Investment	0,00	0,00%
T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	88,62	M07 Basic services	257.766.667,00	21,16%
T23: Jobs created in supported projects (Leader) (focus area 6B)	55,00	M16 Cooperation	11.111.111,00	0,91%
Population benefiting from improved services/infrastructures (7.1; 7.2; 7.4; 7.5.;7.6; 7.7)	100,00	M19 LEADER and CLLD	88.931.181,00	7,30%
Population covered by LAG	1.600.000,00			
Number of LAGs selected	23,00			
<b>6C ICT</b>		<b>Total: 6C</b>	<b>106.666.667,00</b>	<b>8,76%</b>
T24: percentage of rural population benefiting from new or improved services/infrastructures (ICT) (focus area 6C)	70,46	M07 Basic services	106.666.667,00	8,76%
<b>M20 TA</b>			<b>45.829.733,33</b>	<b>3,76%</b>
			<b>45.829.733,33</b>	<b>3,76%</b>
<b>Total public expenditure</b>			<b>1.218.339.859,33</b>	<b>100,00%</b>