



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

The Rural Development Programme (RDP) for Saxony was formally adopted by the European Commission on 12 December 2014 and last modified on 8 January 2018, outlining Saxony's priorities for using nearly € 1.15 billion of public money that is available for the 7-year period 2014-2020 (€ 878 million from the EU budget, including € 62 million transferred from the German envelope for CAP direct payments, and € 260 million of national co-funding and € 7 million of additional national funding top-ups).

With the largest part of the budget (40%) allocated to the so-called LEADER approach, a wide range of local needs is addressed, such as basic services, covering nearly two thirds of the rural population. The second priority is to facilitate competitiveness in agriculture and support investments in agricultural holdings, for example by training and cooperation opportunities and integrating more than 6 000 farms into food quality schemes. Other priorities include support to farmers in applying environmentally-friendly farming methods to improve water and soil management, enhance biodiversity and increase renewable energy production.

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 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 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 Rural Development Programmes (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.

Saxony covers an area of 18 420 km², of which 24% is defined as predominantly rural, and 55% as intermediate. Of the total area, 57% is agricultural land, while forestry land covers 28%. Around one third of the total agricultural area is classified as areas facing natural constraints. The total population is 4.1 million, of which 12% live in

predominantly rural areas, and 48% live in intermediate regions. The unemployment rate in Saxony of 5% (2016) lies slightly above the German federal average (4.1%).

Saxony's agriculture is mainly characterised by small-scale farming structures of up to 50 ha. Nevertheless, there are several big agricultural holdings. It is a key challenge to improve the competitiveness of these farms in this programming period.

More efforts are required in the field of environment. Over half of the agricultural land in Saxony is exposed to water and/or wind erosion, and the groundwater quality is often below acceptable thresholds. Emissions could be reduced and energy efficiency boosted. Biodiversity is still declining.

Rural depopulation and demographic change is an increasing problem, and Saxony is more and more facing the negative effects of this development.

2. HOW THE SAXON RDP WILL ADDRESS THESE CHALLENGES

A key feature of the Saxony RDP is the extensive use of the **LEADER** approach to support the balanced territorial development of rural economies and communities, thereby creating jobs and improving living conditions in these areas. Saxony is taking a promising approach by implementing all support for improvement of basic services through LEADER.

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 has chosen to address this mainly via **ensuring sustainable farming management, including organic farming and climate actions**.

In order to foster the **competitiveness** of the agriculture sector, the RDP puts particular emphasis on investments in businesses in rural areas, in infrastructure, knowledge transfer and innovation as well as fulfilment of environmental and climate objectives.

The RDP of Saxony addresses all six Rural Development Priorities. It is centred on **promoting social inclusion, poverty reduction and economic development**. The focus of each priority is explained briefly below.

Knowledge transfer and innovation in agriculture, forestry and rural areas

This cross-cutting priority helps 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 4 500 participants over the period, mainly farmers. The links between agricultural production sectors and research will be reinforced through 130 cooperation projects.

Competitiveness of agricultural sector and sustainable forestry

Farm investments aim to restructure and modernise 12% of the farms in Saxony, while simultaneously targeting environment, climate and animal welfare. 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

This priority is aimed at facilitating knowledge transfer and information measures for primary producers in the region.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Around 40% of the allocated amount will be used for environment/climate friendly land management practices, including organic farming and support for the most vulnerable areas (areas with natural constraints). Nearly 12% of the agricultural area is targeted to be under contracts to improve water management. Furthermore, 7% of land will be funded under contracts for improving **biodiversity**, and 3% of land will be placed under contracts for better soil management. Support for **environmental investments in farms and forests** will complement this contractual support.

Resource efficiency and climate

Environmental efforts in forestry will be encouraged with about 1 100 investment projects foreseen for developing and improving the viability of forests, and 11% of the forest area will be put under contracts contributing to carbon conservation/sequestration. Other measures include investments in energy efficiency, emission reduction and renewable energy production in rural areas, as well as non-productive investments and changes in land use.

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 29 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. The approach will cover 64% of the rural population creating both jobs – roughly 400 new jobs expected - and improving living conditions.

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

- € 455 million allocated for Measure 19: Leader/CLLD
- € 210 million allocated for Measure 4: Investments in physical assets
- € 205 million allocated for Measure 10: Agri-Environment Climate Measure
- € 117 million allocated for Measure 13: Payments to areas facing natural or other specific constraints

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

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Target	Measure	Indicative public support	%
P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas		0,00	
1A Innovation, cooperation, knowledge		0,00	
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)	2,14 M01 Knowledge	0,00	
	M16 Cooperation	0,00	
1B Research & innovation		0,00	
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)	130,00 M16 Cooperation	0,00	
1C Lifelong learning and vocational training		0,00	
T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)	4.500,00 M01 Knowledge	0,00	
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		162.297.908,00	14,16%
2A Farm performance		Total: 2A 162.297.908,00	14,16%
T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	12,08 M01 Knowledge	3.000.000,00	0,26%
Total investment € (public + private)	433.387.097,00 M04 Physical Investment	152.297.908,00	13,29%
Nr of holdings supported for investment in agricultural holdings (4.1)	613,00 M16 Cooperation	7.000.000,00	0,61%
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture		500.000,00	0,04%
3A Competitiveness of producers		Total: 3A 500.000,00	0,04%
O1: T specific to focus area 3A - percentage of expenditure for the measure "Knowledge Transfer and Information Actions" in relation to the total expenditure for the RDP (focus area 3A)	0,04 M01 Knowledge	500.000,00	0,04%
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry		463.450.755,00	40,45%
4A Biodiversity, HNV and landscapes		Total: P4 463.450.755,00	40,45%
T8: percentage of forest/other wooded area under management contracts supporting biodiversity (focus area 4A)	0,05 M01 Knowledge	8.200.000,00	0,72%
T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)	6,62 M04 Physical Investment	47.600.000,00	4,15%
4B Water management		M07 Basic services	8.500.000,00 0,74%
T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	11,79 M08 Forest	10.722.007,00	0,94%
4C Soil management		M10 Agri-environment-climate	205.834.748,00 17,96%
T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	3,29 M11 Organic Farming	62.494.000,00	5,45%
P4 All Focus Areas		M13 Areas with natural constraints	117.600.000,00 10,26%
Total investment € (public + private)	57.511.329,00 M16 Cooperation	2.500.000,00	0,22%
Area (ha) under agri-environment-climate (10.1)	152.106,00		
Area (ha) - conversion to organic farming (11.1)	13.762,00		
Area (ha) - maintenance of organic farming (11.2)	35.335,00		

P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors			31.404.074,00	2,74%
5B Energy efficiency		Total: 5B	1.500.000,00	0,13%
01: T specific to focus area 5B - percentage of expenditure for the measure "Knowledge Transfer and Information Actions" in relation to the total expenditure for the RDP (focus area 5B)	0,13	M01 Knowledge	1.500.000,00	0,13%
5C Renewable energy		Total: 5C	6.806.625,00	0,59%
T16: Total investment in renewable energy production (€) (focus area 5C)	7.629.584,00	M04 Physical Investment	6.466.625,00	0,56%
Total investment € (public + private)	7.629.584,00	M16 Cooperation	340.000,00	0,03%
5D Reducing GHG and NH3		Total: 5D	800.000,00	0,07%
01: T specific to focus area 5D - percentage of expenditure for the measure "Knowledge Transfer and Information Actions" in relation to the total expenditure for the RDP (focus area 5D)	0,07	M01 Knowledge	800.000,00	0,07%
5E Carbon conservation / sequestration		Total: 5E	22.297.449,00	1,95%
08: T specific to focus area 5E - percentage of forest areas under M08 (8.5) in relation to the total forest and other wooded land (= context indicator 29) (focus area 5E)	11,04	M01 Knowledge	500.000,00	0,04%
		M08 Forest	21.797.449,00	1,90%
P6: Promoting social inclusion, poverty reduction and economic development in rural areas			459.655.085,00	40,12%
6A Diversification, SMEs and job creation		Total: 6A	4.227.564,00	0,37%
T20: Jobs created in supported projects (focus area 6A)	40,00	M04 Physical Investment	4.227.564,00	0,37%
Total investment € (public + private)	10.000.000,00			
6B Local development		Total: 6B	455.427.521,00	39,75%
T21: percentage of rural population covered by local development strategies (focus area 6B)	63,97	M19 LEADER and CLLD	455.427.521,00	39,75%
T23: Jobs created in supported projects (Leader) (focus area 6B)	359,00			
Population covered by LAG	1.991.240,00			
Number of LAGs selected	29,00			
M20 TA			28.468.891,05	2,48%
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Total public expenditure			1.145.776.713,05	100,00%