



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

The Rural Development Programme (RDP) for Thuringia was formally adopted by the European Commission on 26 May 2015, outlining Thuringia's priorities for using the almost € 898 million of public money that is available for the 7-year period 2014-2020 (€ 680 million from the EU budget, including € 54 million transferred from the German envelope for CAP direct payments, and € 197 million of national co-funding, plus € 21 million of additional national funding top-ups).

The RDP for Thuringia focuses mainly on 3 priority areas. Under the first of these – restoring, preserving and enhancing ecosystems related to agriculture and forestry – 18% of agricultural land and 5% of forest or other wooded area will be under biodiversity contracts. 14% of farmland and 8.5% of forestry land will be under contracts to improve water management. To improve soil management and reduce erosion, 17% of agricultural land and 8.5% of forest land will be placed under funded contracts. Secondly, with regard to social inclusion and local development in rural areas, 63% of the rural population is targeted for improved services and infrastructure and 280 jobs will be created. Under the third priority area of competitiveness of the agri-food sector and sustainable forestry, 12% of agricultural holdings will receive RDP support for investments in modernisation or restructuring.

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 Thuringia 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.

Thuringia covers an area of 16 173 km², of which 59 % is rural and 41 % is classified as intermediate area. Of the total area, agricultural land covers 56 % and forest land 34 %.

There are about 3 600 farm holdings managing close to 790 000 ha of agricultural plus another 21 600 ha of non-agricultural land, much of which is forest.

Environmental challenges in Thuringia mainly relate to the decline of biodiversity.

With a population of 2.2 million inhabitants (2014), Thuringia has been confronted with a constant decline for the last 15 years; demographic studies predict a further drop which will bring the population 1.8 million inhabitants in 2030. The region faces more and more the negative effects of depopulation and an ageing society.

It is worth mentioning that the unemployment rate has decreased considerably in the last 10 years and is now 7.8%.

Broadband coverage in rural areas is still lagging behind; 16 Mbit/s are available in 45% of Thuringia's households; however, only 12% of households have 50 Mbit/s. Thus, access to high-speed internet will be a major challenge.

2. HOW THURINGIA'S RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, Thuringia's 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, on social inclusion and local development in rural areas, and on competitiveness of the agri-sector and sustainable forestry. The focus of each priority is explained briefly below.

Knowledge transfer and innovation in agriculture, forestry and rural areas

Under this cross-cutting priority there will be support for farm advisory services and training for farmers, foresters and other beneficiaries in rural areas. Support is also planned for cooperation projects in the framework of the European Innovation Partnership.

Competitiveness of agri sector and sustainable forestry

More than 12% of farms will receive funding for investments - focused on animal welfare, organic farming, resource efficiency and requirements to fulfil environmental and climate-related standards. The funding will also cover land consolidation and agricultural access roads.

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

Under this priority 3.3 % of agricultural holdings and producer groups are intended to receive support for participating in quality schemes, local markets and short supply chains. Investments will be primarily linked to organic food processing and marketing.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

18% of farmland and nearly 5% of forest or other wooded area will be placed under funded contracts to enhance biodiversity. A good 14% of farmland and 8.5% of forestry land under contracts will improve water management; support for holdings to improve soil management and cut erosion will cover a similar area.

Resource efficiency and climate

The programme only allocates 0.25% of its funds to this priority. Nevertheless, support allocated to other priorities will also help to increase resource and water efficiency.

Social inclusion and local development in rural areas

The programme will fund Local Development Strategies drawn up by 15 Local Action Groups (LAGs) under the Leader approach. 63% of the rural population will benefit from improved services. There will also be support for village renewal and infrastructure. 280 jobs are expected to be created (150 via Leader, 130 under diversification projects) and 15% of the rural population will benefit from new or improved broadband infrastructure.

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

- € 236 million allocated to Measure 10 (Agri-environment-climate)
- € 212 million allocated to Measure 7 (Basic services and village renewal in rural areas)
- € 156 million allocated to Measure 4 (Investments in physical assets)
- € 123 million allocated to Measure 13 (Payments to areas facing natural or other specific constraints)

Annex 1: Indicative public support for the Rural Development Programme in Thuringia			
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		
2.11 % of RDP expenditure	02 advisory		
	16 cooperation		
	16 cooperation		
1B Strengthening links (with research, etc.)	16 cooperation		
90 cooperation projects			
1C Training	01 knowledge		
7 326 participants trained			
Priority 2: Farm viability, competitiveness and sustainable forest management		172 125 135	19.15
2A Economic performance, restructuring & modernisation	01 knowledge	1 800 000	0.20
12.21 % of holdings with RDP support	02 advisory	2 382 000	0.27
	04 investments	163 023 136	18.14
	16 cooperation	4 919 999	0.55
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		17 911 146	1.99
3A Improving competitiveness of primary producers	01 knowledge	440 000	0.05
3.28 % of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations	02 advisory	526 400	0.06
	04 investments	14 211 413	1.58
	16 cooperation	2 733 333	0.30
Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry (2)		436 904 751	48.62
4A Biodiversity	01 knowledge	1 320 000	0.15
18.31 % of agricultural land under contracts	02 advisory	855 200	0.10
4.85 % of forest/other wooded area under contracts	07 basic services	17 733 333	1.97
4B Water management	08 forest investments	13 980 000	1.56
13.67 % of agricultural land under contracts	10 AEC	233 757 219	26.01
8.52 % of forestry land under contracts	11 organic farming	38 000 000	4.23
4C Soil erosion and management	13 ANC	123 372 333	13.73
17.21 % of agricultural land under contracts	15 forest EnvClimate	5 153 333	0.57
8.52 % forestry land under contracts	16 cooperation	2 733 333	0.30
Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors		2 376 114	0.26
5E Carbon conservation and sequestration	10 AEC	2 376 114	0.26
0.06 % of agricultural and forest land under management contracts contributing to carbon sequestration or conservation			
Priority 6: Social inclusion, poverty reduction and economic development in rural areas		252 667 509	28.12
6A Diversification, creation of small enterprises and jobs	01 knowledge	440 000	0.05

130 jobs created in supported projects	02 advisory	236 400	0.03
	06 farm business / development	6 666 667	0.74
	16 cooperation	546 666	0.06
6B Local development	07 basic services	174 666 665	19.44
63.05 % rural population under local development strategies	19 LEADER and CLLD	50 111 111	5.58
63.44 % rural population with improved services/infrastructure			
150 jobs created (via LEADER)			
6C Access to and quality of ICT	07 basic services	20 000 000	2.23
14.86 % rural population benefitting from new or improved services/infrastructures (ICT)			
Technical assistance		16 685 985	1.86
TOTAL PUBLIC EXPENDITURE €		898 670 640	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