



Factsheet on 2014-2020 Rural Development Programme for Denmark

The Danish Rural Development Programme (RDP) has been formally adopted by the European Commission on 12 December, 2014, outlining Denmark's priorities for using €907 million of public money that is available from 2014-2020 (€629 million from the EU budget plus €278 million of national funding). With "**Green conversion and Green jobs**" as its main objective, the programme focus 75% of the support on better management of natural resources and encouraging climate friendly farming practices, also with the objective of doubling the organic area. In addition to 3 000 investment projects to improve environmental performance of farms, the RDP aims to support restructuring of roughly 8% of Danish farms in the pig and cattle sectors. Other schemes aim to boost innovation, provide training opportunities and create more than 1300 jobs in rural areas.

[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 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 Denmark 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

Denmark covers an area of 43,098 km² of which **51% is rural** (OECD). Of the rural area, 66% is agricultural land while forests cover 14 %. The total population is 5.6 million – of which **30% live in rural areas**.

The **unemployment** rate in Denmark is 7.5%. The figure has doubled since 2009, but it is still amongst the lowest in the EU. A challenge, which arises from the relatively low **employment rate in the agricultural sector**, is the lack of innovators and entrepreneurs in rural areas. It is difficult to attract and maintain a well-educated work force in these areas due, among other things, to a **lack of basic services**.

Annual **gross investment** in the Danish agricultural sector has decreased by 50% in the last five years, while the **debt levels of agricultural holdings** have more than doubled. During this time the **productivity** and **profitability** has stagnated. Farmers are also facing difficulties in relation to the increasing requirements of environmental regulation that impinge on primary production, as well as the **increasing level of costs**. It is therefore extremely difficult to manage a sustainable farm that both meets environmental requirements and is financially viable. Over the last 10 years the **number of farms has decreased by 35%**, while the average farm size has almost doubled to 63 ha.

As the Danish agriculture sector accounts for **16% of GHG emissions** of the country, which is above the EU average, the Danish farmers are in need of practical tools to address these and other emissions stemming from intensive crop and livestock production.

Farms manage **2.6 million hectares of cultivated land**, the area has remained stable. Over 90% of this utilised agricultural area is arable land characterised by intensive and specialised production putting **pressure on certain ecosystems** and high nature value areas.

Although the **water quality** and the **status of Danish water ways** is generally quite good and improving, it is necessary to **reduce emissions from nitrogen, phosphorus and pesticides** in order to maintain and further improve the situation.

2. HOW THE DANISH RDP WILL ADDRESS THESE CHALLENGES

The overarching objective of the RDP is achieving **"Green conversion and green jobs" with a target of almost 1000 new green jobs**. Denmark has chosen to address this mainly via **ensuring the sustainable management of natural resources and climate action**. Denmark aims to improve biodiversity, water and soil management with environmentally friendly management practices, by land use change to more climate-friendly practices, for example by doubling the area of organic farming to 12%.

Also to **foster competitiveness of the agriculture sector** further, priority is given for investments contributing to environmental and climate objectives. Additionally, restructuring of the pig and cattle sectors, which have faced a low level of investment in recent years, will be supported.

Innovation, as a cross-cutting objective, is an integral part of the Danish RDP. It plays an important role in linking the highly prioritised environment and climate objectives with the **competitiveness** of the agri-food sector, **businesses in rural areas**, and **balanced territorial development** contributing to the creation of "green jobs".

In addition, balanced territorial development of rural economies and communities creating jobs, and improving living conditions in these areas, will be supported by **Community Led Local Development** (CLLD/Leader).

The Danish RDP is centred around four Rural Development Priorities with the main priority being Priority 4: Ecosystems management. Overall, it is foreseen that RDP support will lead to the creation of more than **1.300 jobs with 400 of these being in the most remote and disadvantaged areas** showing negative population trends. The focus of each priority is explained briefly below.

Competitiveness of agri sector and sustainable forestry

Farm investments of the pig and cattle sectors aim to **restructure 3,300 farms (8% of the total)**, while simultaneously targeting environment, climate and animal welfare. An important element is innovation which is facilitated via co-operation, and information and

knowledge transfer between the agri-food sector, researchers and other stakeholders. Almost **100 co-operations** will be established, while **almost 6000 persons will be trained**. Participation in the European Innovation Partnership can also be supported under this priority.

Restoring, preserving and enhancing ecosystems

Half of the allocated amount under this priority will be used for area based payments to cover the cost of farmers adopting environment/climate friendly land management practices. Organic farming is an important element. It is envisaged to double the area so it covers 12% of the agricultural area. Additionally, a number of highly targeted agri-environmental climate measures prioritising the most vulnerable areas, and water management are supported. Almost **3000 environment/climate friendly and resource efficient farm investments** are envisaged. Non-productive investments, such as such as creation or recreation of wetlands and natural waterways on farmland, as well as investments and compensations improving the environmental and public amenity value of the Danish forests will be supported. Designated Natura 2000 and High Nature Value areas are prioritised in this regard. Also, **5500 persons will be trained** in environmental and climate matters.

Resource efficiency and climate

The priority is for investments, either for energy efficiency, emission reduction and renewable energy production on farms and in rural areas. Non-productive investments and changes in land use from arable land to extensive farming areas, as well as environmental efforts in forestry will be supported. Over **700 investments** will aim at **reducing GHG emissions**, while almost **200 jobs are created** through green conversion. The area compensation for **improved water management** under Priority 4 will have positive secondary effects in this regard.

Social inclusion and local development

This priority is implemented entirely by the bottom-up approach through Local Development Strategies drawn up by the expected **26 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. 6% of the RDP public support has been earmarked for Community Led Local Development (Leader/CLLD). The approach will **cover 51 % of the rural population** creating both jobs and improving living conditions.

The five **biggest RDP measures** in budgetary terms are:

- €350 million allocated for Measure 4: Productive and non-productive investments
- €190 million allocated for Measure 10: Agri-Environment Climate
- €111 million allocated for Measure 11: Organic farming
- €55 million allocated for Measure 19: Leader/CLLD
- €47 million allocated for Measure 8: Forestry

Annex 1: Indicative public support for the Danish Rural Development Programme

Target	Measure	€ Total public	%
Priority1: Knowledge transfer and innovation¹			
1A: Fostering innovation, coop, knowledge base <u>7,57%</u> RDP expenditure	01 knowledge		
	16 cooperation		
1B: Strengthening links (with research etc.) <u>91 cooperation operations</u>	16 cooperation		
1C: Training <u>11.586 training participants</u>	01 knowledge		
Priority 2: Competitiveness		157.096.248	17,3
2A: Farm performance <u>8 %</u> farms with RDP support <u>167 supported projects</u> for business development <u>550 jobs</u> created through green conversion	01 knowledge	16.234.251	1,8
	04 investments	110.261.778	12,2
	05 restoring agricultural potential	2.894	0
	16 cooperation	30.597.325	3,3
Priority 4: Ecosystems management²		576.136.862	63,5
4A Biodiversity <u>11,71%</u> utilised agricultural area under contract <u>1,53 %</u> utilised forest/other wooded area under contract <u>5.538 participants</u> trained or advised (agriculture) <u>2003 investment projects</u> which support biodiversity and/or landscapes (agriculture) <u>736 projects</u> with support to organic investments (agriculture) <u>2907 investment operations</u> under the EU priorities for biodiversity, improved water management and improved soil management	01 knowledge	21.237.395	2,3
	04 investments	186.349.663	20,5
	07 basic services	107.383	0
	08 forest investments	47.151.393	5,2
	10 AEC	188.727.891	20,8
	11 organic	111.191.105	12,3
	15 forest environment	21.372.032	2,4

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

4B Water management <u>7,87 %</u> utilised agricultural areas under contract <u>0,27 %</u> forestry land under contract <u>161 jobs</u> created through green conversion, excl. LEADER <u>326 supported non-productive investments</u> which contribute to improving water management (agriculture) <u>1.322 investment projects</u> which contribute to improving water management (agriculture)			
4C Soil erosion and management <u>6,80 %</u> utilised agricultural areas under contract <u>0 %</u> forestry land under contract			
Priority 5: Resource efficiency and climate		71.325.121	7,9
5B Energy efficiency <u>€21,64 million</u> investment <u>32 jobs</u> created through green conversion, excl. LEADER	04 investments	8.657.591	1,0
5C Renewable energy <u>€105 million</u> investment <u>71 jobs</u> created through green conversion, excl. LEADER	04 investments	19.046.701	2,1
	07 basic services	17.234.899	1,9
	16 cooperation	2.894	0
05D Reducing GHG and NH ₃ <u>1,76 %</u> livestock units concerned in utilised agricultural areas under contract <u>740 investment projects</u> targeting a reduction in greenhouse gas emissions and/or ammonia emissions <u>90 jobs</u> created through green conversion, excl. LEADER <u>22 supported non-productive investments</u> targeting a reduction in greenhouse gas emissions and/or ammonia emissions	04 investments	25.954.680	2,9
	10 AEC	428.356	0
Priority 6: Social inclusion and local development		54.818.420	6,0
6B LEADER <u>50,87 %</u> rural population in local development strategy <u>5,06 %</u> rural population with improved services/infrastructure <u>411 jobs</u> created (LEADER)	19 LEADER and CLLD	54.818.420	6,0
Technical Assistance		47.501.583	5,3
Total public expenditure €		906.878.234	100