



## **Factsheet on 2014-2020 Rural Development Programme for Greece**

The Rural Development Programme (RDP) for Greece was formally adopted by the European Commission on 11 December 2015 and modified on 28 June 2017, outlining Greece's priorities for using the € 5.6 billion of public money that is available for the period 2014-2020 (€ 4.7 billion from the EU budget and € 0.9 billion of national co-funding).

The Greek RDP focuses mainly on enhancing farm viability and competitiveness, preserving and enhancing ecosystems and promoting local development in rural areas. Farmers will receive support to put 10.3% of the Greek farmland under contracts to preserve biodiversity, 12.1% to improve water management and 10.7% to improve soil management and/or prevent soil erosion. Investment support for restructuring and modernisation will be provided to 6 300 agricultural holdings and 23 900 young farmers will receive start up aid. In addition, over 5 600 agricultural holdings will receive support to develop short supply chains, local markets and to carry out promotional activities and about 600 agri-food businesses will receive support for investments in processing and marketing of agricultural products. Support for knowledge and innovation activities makes up over 5% of the planned public expenditure and the programme will create around 76 618 training places for farmers and other rural businesses. The RDP will also support local development via LEADER Local Action Groups covering nearly half of the country's rural population and improve access to basic services for approximately 10% of the rural population, including IT infrastructures (e.g. broadband internet).

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 Greece 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 budgets.

## **1. SITUATION AND KEY CHALLENGES**

Greece will implement a single national Rural Development Programme. The country covers an area of 131 621 km<sup>2</sup>, of which 82.2% is rural and where 44.1% of the population live. Over half of the country's 723 010 agricultural holdings have less than 2 hectares and the small and fragmented land parcels constitute one of the main characteristics of Greek agriculture. The lack of a skilled workforce is a barrier to growth for farms. Only 12.6% of farm managers is less than 35 years old and merely 3.5% of all farm managers have agricultural training. The indicator measuring the standard of living of farmers stands at 64.4% of the standard of living of persons employed in other sectors.

Agriculture contributes 3.7% of the Greek Gross Value Added (2013) of the country. In terms of employment, agriculture accounts for 13.2% and the agri-food sector for 3.3% of the total. The economic importance of the sector is therefore significant and enhancing its competitiveness by overcoming its structural, environmental and climatic limitations remains a key challenge.

Areas with natural constraints make up 78.1% of the Utilized Agricultural Area (UAA), of which 53.9% is mountainous regions. Forests make up 50% of the total land area of the country and organic farming covers 3.8% of the UAA. Irrigated land accounts for 19.8% of the UAA and 86% of water use in Greece is consumed in agriculture, often with considerable water losses. Greece's unemployment rate is 27.3% (2013) and lies above the EU average.

## **2. HOW THE GREEK RDP WILL ADDRESS THESE CHALLENGES**

In addressing the abovementioned challenges, the Greek RDP will fund actions under all six Rural Development priorities – with a particular emphasis on the competitiveness of the agricultural sector and sustainable forestry, and on restoring, preserving and enhancing ecosystems related to agriculture and forestry. The focus of each priority is explained briefly below.

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

Under this priority the Greek RDP aims at supporting 350 cooperation projects, including the framework of the European Innovation Partnership, as well as by stimulating the development of supply chain partnerships in the agri-food sector. About 76 618 training places will be made available to enhance knowledge transfer in the fields of environmental awareness, innovative technologies, and research to encourage practical implementation on farms and in forests.

### Competitiveness of agricultural sector and sustainable forestry

About 23 900 Greek farms will benefit from business development plan support for Young Farmers and about 6 300 farms will benefit from support for restructuring and modernising their businesses. It should be noted that young farmers will also benefit from training and a higher support rate for their investments under the corresponding measures of the programme.

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

Over 5 600 agricultural holdings will receive support to set up short supply chains, develop local markets and launch promotion activities, and 600 agri-food businesses will receive support for investments in the processing and marketing sector.

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

Greece aims at bringing 10.3% of agricultural land under contracts to preserve biodiversity, 12.1% to improve water management and 10.7% to improve soil

management. Measures to support agro-forestry and afforestation aim at bringing a small part of Greece's forest land under management contracts.

#### Resource efficiency and climate

This priority aims at supporting a more efficient use of natural resources, in particular water, and the development of renewable energy sources in Greece. Almost 5% of the irrigated land will contribute to better water efficiency through public and private investments in irrigation infrastructure. It is expected that approximately 51 000 hectares of irrigated land will switch to more efficient irrigation systems. Integrating this support with measures, such as investments in physical assets and knowledge transfer activities and advisory services, is expected to improve water efficiency reduce and agriculture's share in overall water consumption.

#### Social inclusion and local development in rural areas

Nearly half of Greece's rural population is expected to be covered by a local development strategy while approximately 10% of the rural population will benefit from improved services and ICT infrastructure. LEADER aims at creating 2 000 new jobs. Furthermore, about 3 140 beneficiaries will receive support for investments in non-agricultural activities in rural areas thus contributing to the creation of 2 860 jobs.

The six **biggest RDP measures** in budgetary terms (total Public contribution) are:

- € 1 421 million allocated to Investments in physical assets
- € 1 060 million allocated to Areas facing natural or other specific constraints
- € 741 million allocated to Organic farming
- € 452 million allocated to Agri-environment and climate measures
- € 445 million allocated to support for LEADER local development / CLLD
- € 435 million allocated to Farm and business development

## Annex: Indicative public support for the Rural Development Programme in Greece

Target	Measure	€ Total Public	%
<b>Priority 1: Knowledge transfer and innovation in agriculture, forestry and rural areas<sup>1</sup></b>			
1A - Innovation, cooperation, knowledge  5.34% of RDP expenditure	M01 - Knowledge transfer		
	M02 - Advisory services		
	M16 - Cooperation		
1B - Research and innovation  350 cooperation projects	M16 - Cooperation		
1C - Lifelong learning and vocational training  76 618 participants trained	M01 - Knowledge transfer		
<b>Priority 2: Enhancing Farm viability and competitiveness in agriculture and promoting innovative farm technologies and the sustainable management of forests</b>			<b>860,456,151</b>
2A - Farm performance  0.87% farms with RDP support  6 300 agricultural holdings receiving support for investments in restructuring and modernisation	M01 - Knowledge transfer	20,292,986	0.36
	M02 - Advisory services	8,985,809	0.16
	M04 - Investments	485,523,336	8.61
	M06 - Farm and business development	30,050,995	0.53
	M16 - Cooperation	11,119,444	0.20
2B - Young farmers  3.31% farms with RDP support for YF  23 900 agricultural holdings receiving support for business development plans for young farmers	M06 - Farm and business development	304,483,581	5.40
<b>Priority 3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture</b>			<b>406,879,731</b>
3A - Competitiveness of producers  5 650 (1.15%) farms supported for participating in quality schemes, local markets and short supply circuits  600 agri-food enterprises supported for investment in processing and	M01 - Knowledge transfer	3,891,806	0.07
	M03 - Quality schemes	50,969,869	0.90
	M04 - Investments	237,077,637	4.21
	M09 - Producer groups / organisations	27,798,611	0.49
	M14 - Animal welfare	12,980,584	0.23
	M16 - Cooperation	22,238,889	0.39

<sup>1</sup> No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas.

marketing of agricultural products			
3B - Risk management 1 500 (0.21%) farms participating in risk management schemes	M05 - Restoring agricultural potential	51 922 335	0.92
<b>Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry<sup>2</sup></b>		<b>2,335,082,475</b>	
4A – Biodiversity, HNV and landscapes 10.29% of UAA under contract 0.10% of forestry land under contract 70 000 hectares covered by restoration after damages in forests	M01 – Knowledge transfer M02 - Advisory services M04 - Investments M07 - Basic services M08 - Forest M10 - AEC	17,513,125 144,905,502 12,981,540 970,216 181,287,840 405,634,019	0.31 2.57 0.23 0.02 3.22 7.20
4B – Water management 12.08% UAA under contract 0.04% forestry land under contract	M11 – Organic farming M12 - NAT 2000 and WFD M13 - ANC M16 – Cooperation	481,914,476 9,048,000 1,059,700,813 21,126,944	8.55 0.16 18.80 0.37
4C – Soil management 10.71% UAA under contract 0.02% forestry land under contract			
<b>Priority 5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors</b>		<b>1,161,973,779</b>	
5A - Water efficiency 51 000 (4.97%) hectares of irrigated land supported for switching to more efficient irrigation systems	M01 – Knowledge transfer M02 - Advisory services M04 - Investments M16 - Cooperation	10,563,472 2,206,699 599,137,577 8,895,556	0.19 0.04 10.63 0.16
5B - Energy efficiency €26,982,484 Total investment for energy efficiency	M01 - Knowledge M04 - Investments	1,945,903 12,142,118	0.03 0.22
5C - Renewable energy €114,282,596.76 Total investment in renewable energy production (€)	M01 – Knowledge transfer M02 - Advisory services M04 - Investments M08 - Forest M16 - Cooperation	1,111,944 318,024 28,997,522 25,961,168 5,559,722	0.02 0.01 0.51 0.46 0.10
5D - Reducing GHG and NH3	M02 - Advisory services M04 - Investments	3,926,627 1,205,239	0.07 0.02

<sup>2</sup> Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas

0.01% LU concerned under contract	M10 - AEC	26,188,207	0.46
	M11 - OF	259,572,292	4.61
0.73% UAA under contract	M16 - Cooperation	1,667,917	0.03
5E - Carbon conservation / sequestration	M01 - Knowledge transfer	3,057,847	0.05
	M02 - Advisory services	1,398,658	0.02
0.29% UAA under contract	M04 - Investments	30,876,842	0.55
	M08 - Forest	110,238,813	1.96
45 000 hectares covered for prevention of damages in forests	M10 - AEC	19,773,993	0.35
	M16 - Cooperation	7,227,639	0.13
<b>Priority 6: Promoting social inclusion, poverty reduction and economic development in rural areas</b>		<b>676,989,595</b>	
6A - Diversification, SMEs and job creation  3 140 holdings receiving start up aid/ support for investments in non-agricultural activities in rural areas  2 860 jobs created	M06 - Farm and business development	100,949,218	1.79
6B - Local development  46.44 % rural population under local development strategies  75 000 (1.24%) people in rural areas with improved services/infrastructure  2 000 jobs created (via LEADER)	M04 - Investments	12,761,968	0.23
	M07 - Basic services	32,218,013	0.57
	M19 - LEADER and CLLD	445,072,093	7.90
6C - ICT  9.95% of population with improved services/ infrastructure (ICT)	M01 - Knowledge transfer	2,779,861	0.05
	M02 - Advisory services	515,978	0.01
	M07 - Basic services	82,692,464	1.47
<b>M 113 (transitional)</b>		141,813,510	2.52
<b>Technical Assistance (TA)</b>		52,631,579	0.93
<b>Total public expenditure €</b>		<b>5,635,826,820</b>	<b>100.00</b>