



Factsheet on 2014-2020 Rural Development Programme for the Netherlands

The Dutch Rural Development Programme (RDP) was formally adopted by the European Commission on 13 February 2015. A first modification of the RDP was adopted on 6 January 2016. This modification comprised primarily a change from individual farmers to the collective systems as beneficiaries for participation to the agro-environmental measures as well as introducing a result-based approach for creation of habitats, and with the transfer of first Pillar funds (a total of € 158 million) providing for a new measure (quality schemes M3) and additional funds to existing measures, in particular to non-productive investments for water objectives. The RDP outlines the Netherlands' priorities for using the € 1.65 billion of public funding that is available for the 7-year period 2014-2020 (€ 765 million from the EU budget and € 449 million of national co-funding, plus € 432 million of additional national funding top-ups).

The Dutch RDP has a strong environmental angle and aims to have 6% of the agricultural land under contract to stimulate biodiversity and improve water and soil management. In order to enhance the viability and competitiveness of the farm sector, the programme has a strong focus on stimulating innovative, sustainable investments, targeting 5% of all farms including those of young farmers. The programme also includes an all-weather insurance scheme which targets 2% of farmers. 18 000 farmers will receive training and 175 cooperation projects will be supported. The programme aims to create 250 new jobs in rural areas through the local development strategies developed by LEADER Local Action Groups that will cover 65% of the rural population. The local development strategies will also aim to strengthen the relationship between the rural areas and the cities.

Support for [Rural Development](#) (RD) is the 2nd Pillar of the [Common Agricultural Policy](#). It provides Member States with an envelope of EU funding which can be managed either 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. Programmes contain clear targets setting out what is to be achieved. To better coordinate actions 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 the Netherlands are addressed by the RDP. In the annex, a table indicates the priorities and focus areas each with their specific targets and allocated budgets.

1. SITUATION AND KEY CHALLENGES

The Netherlands has a surface of 33 755 km² of which less than 2% is rural. The population is 16.7 million. Agricultural land covers 19 000 km² of which around 55% is arable. Forestry covers a mere 3 650 km².

The unemployment rate in the Netherlands is 5.3% (2012). The primary sector accounts for 2% of the country's economy (total GVA). 2.5% of employment is in agriculture and 1.5 % in the food industry.

The Dutch agri-food industry contributes € 52.5 billion of added value to the Dutch GDP, and accounts for some 20% of the country's total export value.

Farming is large-scale and intensive with undesirable effects on the environment and climate. Productivity and yields per hectare are high. Farmers use a high level of fertilisers and plant protection products (75% of the agricultural land is classified as high input per hectare, compared to an overall average of 26% in EU-28 as a whole). The intensive nature of Dutch agriculture inevitably puts high pressure on certain ecosystems.

Due to low profit margins, it remains a challenge for the Netherlands to stimulate innovation to maintain its competitive position. An equally important aspect is the transfer of knowledge which should facilitate the uptake of innovation on a wide scale in agriculture. In addition, there is considerable reluctance to make risky investments in the farm sector. Young farmers have limited investment capacity when taking over the farm. They need some support in order to carry out the necessary structural investments.

If the Netherlands is to reach its environmental goals, it is essential that it improves the environmental sustainability of its agricultural sector. Primary agriculture and horticulture account for 13 % of GHG emissions. The population of birds in farming areas has fallen over the past 30 years by 70%. The number of farmland birds (including grassland birds) depends very heavily on how farmers manage the land.

The ability to meet the objectives of the Water Framework Directive also depends on the agricultural sector. Although water quality and the condition of Dutch waterways is improving, more needs to be done.

2. HOW THE DUTCH RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, the RDP of the Netherlands will fund action under four Rural Development Priorities with the main focus being *on restoring, preserving and enhancing ecosystems related to agriculture*.

To foster the competitiveness of the agricultural sector, the RDP puts particular emphasis on innovative sustainable investments which can contribute to environmental and climate objectives. In this context, innovation is an integral part of the RDP. It plays an important role in linking the environmental and climate priorities with the need to improve the competitiveness of the agri-food sector, and with the balanced territorial development which contributes to the creation of jobs. The programme will also help the agricultural sector and rural businesses to adopt the results of research and innovation initiatives.

The main objective is to improve conditions for nature and environment. The Netherlands aims to improve biodiversity, water and soil management. Through better land management, the programme will help to provide and improve habitats for farmland birds.

In addition, Community Led Local Development (CLLD/Leader) is expected to support the balanced territorial development of rural economies and communities, thereby creating jobs and improving living conditions for the people in these areas.

The focus of each priority is explained briefly below.

Competitiveness of agri sector and sustainable forestry

The RDP aims to increase the competitiveness of farms whilst ensuring environmental sustainability. The programme aims to provide innovative, sustainable investments to 5% of all farmers (about 3500 farms). In addition, a specific measure is dedicated to young farmers in order to support new investments when they take over the farm. In order to enable entrepreneurs to make risky innovative investments, the setting-up of a guarantee fund is foreseen. Innovation is a key element which will be facilitated via co-operation projects and by the transfer of information and knowledge between the agri-food sector, researchers and other stakeholders. Almost 175 co-operation projects will be established and nearly 18 000 persons will receive training. Participation in the European Innovation Partnership and its operational groups is also supported.

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

The programme will support agricultural risk management through all-weather insurance schemes, targeting 2% of all farmers (*about 1 500 farmers*).

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

The objective is to enhance nature and the environment in farming areas. To this end, 56% of the support is allocated to improving landscapes, stimulating biodiversity and improving water and soil management on 6% of the agricultural land. The Netherlands aims to improve biodiversity and water and soil management by setting-up an agricultural landscape management scheme. This could, for example, create habitats for both farmland and grassland birds.

Social inclusion and local development in rural areas

In addition, through *Community Led Local Development (CLLD/Leader)*, the programme will support balanced territorial development of rural economies and communities by creating jobs and improving living conditions.

The focus is on growth and jobs in addition to improving living conditions in rural areas via business development, innovation and co-operation activities. Under this priority, the aim is to strengthen the relationship between the rural areas and the cities and also between farmers and citizens. About 7% of the RDP public support has been earmarked for Community Led Local Development (Leader/CLLD). It is foreseen that RDP support will lead to the creation of 250 new jobs and cover 3 million rural people.

The 4 ***biggest RDP measures*** in budgetary terms (total public funding) are:

- €800 million allocated for Measure 4: Productive and non-productive investments
- €496 million allocated for Measure 10: Agri-Environment-Climate
- €110 million allocated for Measure 19: Leader/CLLD
- €75 million allocated for Measure 16: Cooperation.

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

Target	Measure	€ Total public	%
Priority1: Knowledge transfer and innovation¹			
1A: Fostering innovation, coop, knowledge base <u>6.59%</u> RDP expenditure	01 knowledge		
	16 cooperation		
1B: Strengthening links (with research etc.) <u>155 cooperation operations</u>	16 cooperation		
1C: Training <u>11 000 training participants</u>	01 knowledge		
Priority 2: Competitiveness		518 830 000	31.53%
2A: Farm performance <u>3.87%</u> farms with RDP support	01 knowledge	35 420 000	2.15%
	03 quality schemes	30 000 000	1.82%
	04 investments	378 870 000	23.03%
	16 cooperation	74 540 000	4.53%
Priority 3: promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture		54 000 000	3.28%
3B: farm risk prevention and management <u>1.8%</u> farms with RDP support	17 Risk Management	54 000 000	3.28%
Priority 4: Ecosystems management²		917 770 000	55.78%
4A Biodiversity: <u>5.87%</u> utilised agricultural area under contract	04 investments	421 320 000	25.61%
4B Water management: <u>5.87%</u> utilised agricultural area under contract		496 450 000	30.17%
4C Soil erosion and management: <u>0.48%</u> utilised agricultural areas under contract	10 AEC		
Priority 6: Social inclusion and local development		110 480 000	6.72%

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

6B LEADER: 64.86 % rural population in local development strategy 250 jobs created (LEADER)	19 LEADER and CLLD	110 480 000	6.72%
Technical Assistance		44 270 720	2.69%
Total public expenditure €		1 645 350 720	100%