



Factsheet on 2014-2020 Programme for Poland

European
Commission

Rural Development

The Polish Rural Development Programme (RDP) has been formally adopted by the European Commission on December 12, 2014, outlining Poland's priorities for using the €13.5 billion of public money that is available for the period 2014-2020 (**€8.6 billion from the EU budget** plus €4.9 billion of national funding). With one third of the funding aimed at "**enhancing farm viability and competitiveness**", the RDP is expected to provide investment support to roughly 200 000 farms, and targets the creation of more than 22 000 jobs and more than 1 800 producer groups. In addition, 30% of the support is reserved for environmental and climate friendly practices, with the objective of covering 19% of Poland's agricultural area.

[Rural Development](#) is the second 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, some 118 programmes are provided for across the 28 Member States. The new [Rural Development 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 and Investment Funds ([ESIF](#)), a [Partnership Agreement](#) has been agreed with each Member State comprising a broad strategy for EU-funded structural investment.

This document provides a brief overview of the situation in Poland and how the challenges and opportunities faced by Poland are addressed by the RDP. In the annex, a table indicates the priorities and focus areas as well as their allocated budget.

SITUATION AND KEY CHALLENGES

Poland covers an area of 312 700 km² of which **51.2% is rural** and further 39.5% is intermediate. Approximately 30% of the Polish territory is covered by forests. Of the 14.5 million hectares of utilised agricultural area, 74.7% is arable land and 22.4% is permanent grassland and meadows. The total population is 38.5 million – of which **39% live in rural areas**.

The **unemployment** rate in Poland is 8.3%¹ and rural areas are characterised by hidden unemployment, high poverty rate (32.7%) and the risk of social exclusion. There is a relatively high share of the population working in agriculture (12%, compared to the EU average of 5%²) due to the socio-economic structure of Polish agriculture which is dominated by small family farms (out of 1.5 million farms, some 55% are below 5 ha).

A challenge arising from the very low **productivity in the agricultural sector** is the lack of proper technical equipment in family farming, as well as lack of entrepreneurs and innovators in rural areas. It is difficult to attract and maintain a well-educated work-force in these areas due to, amongst other things, a lack of basic infrastructure and services.

¹ Eurostat, news release of 28th November 2014

² Data based on National Accounts.

Low soil quality, combined with frequent rainfall shortages, also have a negative impact on agricultural productivity. In Poland, soil quality influences the agricultural productivity of land, to the extent that 62.5% of agricultural land is classified as areas with natural constraints (ANC).

Agriculture
and Rural
Development

As the agriculture sector accounts for **Poland's GHG emissions**, farmers need practical tools to address these and other emissions stemming from intensive crop and livestock production.

Approximately 19.4% of arable land in Poland faces various **environmental challenges**: 8.2% is particularly endangered by water and/or wind erosion, 3.6% experiences problems with low humus levels and 7.4% are defined as Nitrate Vulnerable Zones (areas that drain into waters polluted by nitrates). The relatively intensive use of arable land - 17.8% is covered by high intensity farming with a further 44.6% medium intensive - is putting pressure on certain ecosystems and high nature value areas. Moreover, the relatively poor **water quality** and the high eutrophication of Polish lakes, waterways and the Baltic Sea make it necessary to reduce nitrogen, phosphorus, pesticide and herbicide emissions.

HOW THE POLISH RDP WILL ADDRESS THESE CHALLENGES

The further modernisation of agriculture is considered to be crucial for enhancing the competitiveness of farms. It will notably help streamlining structural changes in the milk, pig and beef sectors, while maintaining a stable base of raw agricultural products for the food processing industry. The **support schemes will be addressed at small and medium-sized farms** to enhance their production potential, which should in turn lead to higher value added. Given the existing agricultural land fragmentation, there is a need for further **diversification towards non-agricultural sectors** and improved access to agricultural services. Generational renewal is considered to be a key factor influencing the modernisation and competitiveness of farms. Therefore investment support will encourage young people to set up new, modern and competitive farm enterprises.

Due to the fragmentation of Polish farms, the small scale of production and difficulties in adapting production to customer demand, there is a need for tools to address these structural shortcomings, for example **support for farmers working together in producer groups** and participation in quality schemes.

More targeted support is also needed to promote the **sustainable management of natural resources** (soils, water protection, traditional orchards and fruit tree varieties) and protecting valuable habitats, such as Natura 2000 sites, as well as moves to protect endangered traditional local livestock breeds and local crop varieties.

In addition, as a way of encouraging local initiatives for the balanced territorial development of rural economies and communities, creating jobs and improving living conditions in these areas, the Programme will support **Community Led Local Development** (CLLD/Leader) projects.

The Polish RDP is aimed at all six Rural Development Priorities with the main priority being **farm viability and competitiveness** (Priority 2). The RDP focuses 33% of the support on physical investments in well targeted sectors (milk, beef, pig), as well as on farms located in Nitrate Vulnerable Zones and Natura 2000 areas. In addition, 30% of the support is reserved for environmental and climate friendly services and practices aimed at enhancing biodiversity, high nature value farming, improving water management and preventing soil erosion. The focus of each priority is explained briefly below.

Knowledge transfer and advisory services in agriculture

Support will be mainly oriented towards economic and environmental aspects of the agricultural sector. More than 260 000 participants will take part in various training sessions and demonstration projects. Strengthening the mechanisms related to the transfer of knowledge and innovations, inter alia by advisory services, is vital for the development of the agriculture sector. The farm advisory system will link research units and the agricultural sector. By assuring individual advisory services, taking into account specific needs of the farms, practical and up-to-date knowledge will be provided to enable farmers embrace innovative agricultural practices.

Competitiveness of agricultural sector

Roughly 50 000 holdings will receive modernisation support to improve their competitiveness, with a further 50 000 small farms receiving start up aid for the implementation of various types of operations. A further €65 million will be allocated for investments in development of services for agriculture (520 operations). In a move to improve farm structures, support will take the form of annual payments for persons leaving agriculture, which is expected to enable transfer of 110 000 ha of land from small holdings to holdings whose area is close to the average national size. Finally, investment support will help young people to set up just under 29 000 new, modern and competitive farm enterprises.

Food chain organisation, including processing and marketing of agricultural products

Under this priority the highest amount of funds is allocated for supporting processing of agricultural products (€693 million), helping to fund about 2 800 projects in processing plants and agricultural holdings. In addition, aid will be granted to more than 1 800 producer groups. Nearly 26 000 holdings will obtain support linked to production under national or EU quality schemes.

Restoring, preserving and enhancing ecosystems

The support under this priority will be used for reducing fertilization levels and the use of pesticides and herbicides, more sustainable grazing and mowing in areas with valuable natural habitats or which are the habitats of endangered bird species located in and outside Natura 2000 areas. In addition, necessary steps will be taken to reduce leaching of natural manure (containing nitrogen, phosphorus) into groundwater.

Low carbon and climate resilience economy in agriculture and forestry sector

Just over €300 million will be available as afforestation grants to cover areas of roughly 82 000 ha (new and continuing commitments). Given the multi-annual nature of the measure, most of these funds will be allocated for the maintenance of forests established under previous RDPs 2004-2006 and 2007-2013.

Social inclusion and local development

This priority uses the bottom-up approach through Local Development Strategies drawn up by the expected 256 Local Action Groups (LAGs). Investments in the development of non-agricultural activities, combatting social exclusion and poverty, conservation and protection of cultural heritage will be supported exclusively under the Local Development Strategies. 12.8% of the RDP budget has been earmarked for Community Led Local Development (CLLD/Leader). The approach will cover 58.2% of the rural population while creating approximately 22 000 jobs and improving living conditions.

The five ***biggest RDP measures*** in budgetary terms (EAFRD funds) are:

- Investments in physical assets (Measure 4): €2 120 million
- Farm and business development (Measure 6): €1 406 million
- Payments for areas facing natural constraints (Measure 13): €1 378 million
- Agri-Environment Climate Measure (Measure 10): €753 million
- Basic services (Measure 7): €684 million

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

Target	Measure	€ Total public	%
Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas³			
1A: Fostering innovation, cooperation, knowledge base <u>1.41%</u> RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) <u>90 cooperation operations</u>	16 cooperation		
1C: Training <u>261 811</u> training participants	01 knowledge		
Priority 2: Farm viability, competitiveness and sustainable forest management		4 474 840 477	33.11
2A: Farm performance <u>2.85%</u> farms with RDP support <u>154 670</u> training participants <u>56 500</u> beneficiaries advised	01 knowledge	34 800 782	0.26
	02 advisory	75 002 515	0.56
	04 investments	2 540 059 226	18.80
	06 farm / business development	1 077 980 355	7.98
	16 cooperation	28 999 865	0.21
2B: generational renewal <u>1.91%</u> young farmers with RDP support	06 farm / business development	717 997 734	5.31
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		1 659 610 914	12.28
3A: Improving competitiveness of agricultural producers <u>4.12%</u> farms with RDP support <u>1 809</u> producer groups set up <u>25 950</u> farms in quality schemes <u>36 251</u> training participants	01 knowledge	8 700 301	0.06
	03 quality schemes	33 004 179	0.24
	04 investments	693 070 461	5.13
	07 basic services	74 966 634	0.55
	09 producer groups	402 987 547	2.98
	16 cooperation	28 999 865	0.21
3B: Farm risk prevention and management <u>990 beneficiaries</u> investing in risk prevention	01 knowledge	2 899 959	0.02
	05 restoring agric. potential	414 981 968	3.07
Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry⁴		4 160 623 209	30.79
4A Biodiversity <u>14.74%</u> utilised agricultural area under contract	01 knowledge	11 600 260	0.09
	04 investments	99 000 000	0.74
	10 AEC	1 184 062 782	8.76

³ No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas.

⁴ Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas

4B Water management <u>14.37%</u> utilised agricultural areas under contract	11 organic farming 13 ANC	699 961 515 2 165 998 652	5.18 16.03
4C Soil erosion and management <u>19.09%</u> utilised agricultural areas under contract			
Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors		300 997 069	2.23
5E Carbon conservation and sequestration <u>82 000 ha afforested</u>	08 forest investments	300 997 069	2.23
Priority 6: Social inclusion, poverty reduction and economic development in rural areas		2 148 939 940	15.90
6A Job creation <u>16 550 jobs created</u>	06 farm / business development	413 939 978	3.06
6B LEADER <u>58.19%</u> rural population under local development strategies <u>5.41%</u> rural population with improved services/infrastructure <u>5 943 jobs created (LEADER)</u>	07 basic services	1 000 000 049	7.40
	19 LEADER and CLLD	734 999 913	5.44
Measure 113 Early retirement		560 000 000	4.14
Technical Assistance		208 283 391	1.54
Total public expenditure €		13 513 295 000	100