



Factsheet on 2014-2020 Rural Development Programme for Sweden

The European Commission formally adopted the Rural Development Programme (RDP) for Sweden on 26 May 2015. The latest amendment of the programme was approved by the European Commission in November 2018. The programme outlines Sweden's priorities for using € 4.4 billion of public money that is available for the 7-year period 2014-2020 (€ 1.8 billion from the EU budget, including € 18 million transferred from the envelope for CAP Pillar 1 direct payments, and € 2.6 billion of national co-funding plus € 2.9 million of additional national funding top-ups).

The RDP for Sweden focuses on restoring, preserving and enhancing ecosystems related to agriculture and forestry. Close to 18 % of agricultural land will come under contracts for biodiversity. Responding to the need for innovation in rural areas, Sweden will implement the European Innovation Partnership and plans to create close to 135 000 places on training courses. The programme will invest in local development with more than 50 % of the rural population supported by local development strategies which is to be carried out by 48 Local Action Groups across the country. Around € 500 million will be devoted to broadband and nearly 36 % of the rural population can expect better access to services and infrastructure.

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 implemented in the 28 Member States. The 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, which Sweden is facing, are addressed by the RDP. In the annex, a table indicates the priorities and focus areas each with their specific targets and budgets.

1. SITUATION AND KEY CHALLENGES

Sweden covers an area of 438 576 km² including lakes, of which 78 % is rural. Farmland covers some 3.1 million hectares and accounts for 8.4 % of the land area. Forests cover 68 % of the total area. In 2012, the contribution of agriculture to national GNP was 0.4 % - below the average for the EU as a whole. Farmland in Sweden is spread unevenly throughout the country. Most of it is in the south of the country. In the four northern counties, which make up almost half of Sweden's total area, only 7 % of the area is farmland.

The number of commercial farms is decreasing and at the same time, they are growing in size. The average farm is 43 hectares in size. About half of all farmland is classified as

areas with natural constraints (ANC). Forestry is one of the most important industries in Sweden and is competitive at international level. Sweden has nearly 100 000 lakes which make up almost one tenth of the area of the country.

Farming varies over the country. In the four northernmost counties livestock farms dominate and there are many small farms. In the middle of Sweden there are many large arable farms and fewer small farms. In the south, forestry, cattle and arable farming are important.

With changes in the agricultural and forestry sectors, other business opportunities in rural areas have become increasingly important in terms of employment. The rural economy is, however, still largely dependent on agriculture, forestry and related businesses. Applied research and the dissemination of the results of research to farmers and rural firms could be of vital importance in changing situations and to meet future challenges.

Within farming, profitability has varied considerably from one sector to another in recent years. Pig production was hit hard by low prices and high costs in 2011 and in 2012. The profitability of milk production has varied substantially. In addition, crop production faces huge difficulties. A study shows that profits in 2013 in all farm sectors were too low to create sustainable growth and employment activity.

2. HOW SWEDEN'S RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, Sweden's RDP will fund actions under six Rural Development priorities – with a particular emphasis on priority 4: Restoring, preserving and enhancing ecosystems related agriculture and forestry. The focus of each priority is explained briefly below.

Knowledge transfer and innovation in agriculture, forestry and rural areas

Successful innovation systems are crucial in order to strengthen rural activities and to develop better methods to meet environmental and climate challenges. The European innovation partnership creates conditions to meet this need and in the RDP this method will focus on strengthening competitiveness. About 8 % of RDP expenditure will be devoted to innovation, cooperation and knowledge. Sweden is also targeting the creation of 640 cooperation operations. Support is also dedicated to stimulate the transfer of knowledge in order to strengthen competitiveness, and also to tackle environmental challenges. More than 135 000 places in training courses will be provided. This priority will help the agricultural sector and rural businesses to incorporate the results of research and innovation into their production systems.

Competitiveness of agricultural sector and sustainable forestry

In order to strengthen competitiveness, focus is placed on improving farm financial performance and on facilitating the restructuring and modernisation of farms in order to increase market participation and to diversify agricultural activities. Nearly 5 % of farms are targeted for support under this priority. An expected 542 young farmers will benefit from investment support, which is crucial for their business development. Measures under this priority are aimed at supporting new farmers and to simplify the process of taking over existing farms. The sector is going through structural changes and with increased globalisation new forms of cooperation could lead to a strengthening of competitiveness and profitability.

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

Skills development and advisory services are seen as crucial in order to start small-scale farm-related production where traditional knowledge is a resource. When these small-scale producers build up knowledge, investment support can lead to the development of new businesses. Sweden is targeting nearly 3 % of public support under the RDP to animal welfare to ensure high levels of consumer confidence in the products. Various efforts will make it possible for different actors in the food chain to work together to increase the value of agricultural products and to improve the welfare of animals. Well-functioning cooperation mechanisms may promote the development of local markets, new products and the working or sharing of facilities and resources.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Various forms of skills development initiatives, will give farmers and others who carry out environmental activities a better understanding of the rules for environmental payments, support for organic production and environmental investment. Close to 19 % of agricultural land will come under contract for biodiversity, 14 % under contract for better water management and close to 16 % under contract for soil management.

A number of cooperation projects will give a boost to the environmental impacts of both environmental and climate-friendly agriculture as well as environmental investments.

Support for organic production and support aimed at reduced nitrogen leaching, buffer zones and ley farming as well as environmental investments in the form of wetlands is also parts of actions to improve water and soil management. Nearly 12 % of the total budget will be used for organic farming activities, covering 218 000 hectares.

Resource efficiency and climate

In addition to promoting resource efficiency and supporting the transition to a low carbon and climate-resilient economy, energy efficiency helps to improve farm viability and competitiveness and to contribute to the creation of new jobs and other rural businesses. Pilot projects may also contribute to the development of new and efficient technologies and methods with a view to reduce the use of energy. In Sweden, the RDP will devote more than € 69 million of public and private investments in this area.

Social inclusion and local development in rural areas

The selected measures will contribute to efficient services and infrastructures, which will make it more attractive to live and work in rural areas. Efforts to preserve and develop cultural heritage as well as more opportunities for cultural and recreational activities are also a step in this direction. 48 Local Action Groups under LEADER are implementing local development strategies. The strategies will cover around 50 % of the rural population and are expected to create 1 700 jobs. Another 950 jobs will also be created outside agriculture under this priority. Investment in broadband infrastructure can be made more efficient and with a higher quality with the help of feasibility studies or other coordinating efforts. Sweden is estimating that 36 % of its rural population will benefit from improved services or better infrastructure through local development actions, and close to 5 % under ICT measures.

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

- € 975 million allocated to Measure 10: Agri-environment-climate
- € 962 million allocated to Measure 13: Payments to areas facing natural or other specific constraints
- € 655 million allocated to Measure 7: Basic services and village renewal in rural areas
- € 505 million allocated to Measure 11: Organic farming

Annex 1: Indicative public support for the Rural Development Programme in Sweden

Target	Measure	€ Total public	%
Priority 2: Farm viability, competitiveness and sustainable forest management		349 260 074.33	7.99 %
2A: Economic performance, restructuring & modernisation 4.92 % of holdings with RDP support	01 knowledge	14 812 623.84	0.34 %
	02 advisory	7 590 701.87	0.17 %
	04 investments	274 127 270.99	6.27 %
	16 cooperation	36 670 847.83	0.84 %
2B: Generational renewal 0.76 % of holdings with RDP supported business development plan/investments for young farmers	06 farm / business development	16 058 629.80	0.37 %
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		179 463 742.09	4.11 %
3A: Improving competitiveness of primary producers 0.93 % of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations	01 knowledge	17 097 244.64	0.39 %
	02 advisory	2 192 586.71	0.05 %
	04 investments	8 721 747.94	0.20 %
	14 animal welfare	124 830 863.97	2.86 %
	16 cooperation	26 621 298.83	0.61 %

Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry¹		2 640 292 201.20	60.39 %
4A Biodiversity	01 knowledge	80 075 370.51	1.83 %
0.03 % of forest/other wooded area under contracts	02 advisory	42 765 717.98	0.98 %
	04 investments	8 396 760.62	0.19 %
18.56 % of agricultural land under contracts	07 basic services	45 001 501.47	1.03 %
	08 forest	11 867 378.17	0.27 %
4B Water management	10 AEC	975 225 094.15	22.31 %
13.84 % of agricultural land under contracts	11 organic farming	505 413 830.52	11.56 %
	13 ANC	962 149 648.08	22.01 %
4C Soil erosion and management	16 cooperation	9 396 899.70	0.21 %
15.73 % of agricultural land under contracts			
Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors		68 203 548.69	1.56 %
5C Renewable energy	04 investments	8 281 915.28	0.19 %
Total investment in renewable energy production EUR 75 175 447.00	06 farm / business development	16 535 858.69	0.38 %
	16 cooperation	3 626 471.80	0.08 %
5D Reducing GHG and NH3	04 investments	9 464 121.76	0.22 %
5.65 % of LU (Live-stock Unit) concerned by investments in live-stock management in view of reducing GHG (Green House Gas) and/or ammonia emissions	06 farm / business development	25 952 205.43	0.59 %
	16 cooperation	4 342 975.73	0.10 %
Priority 6: Social inclusion, poverty reduction and economic development in rural areas		960 275 705.98	21.97 %
6A Diversification, creation of small enterprises and jobs	01 knowledge	10 221 279.92	0.23 %
	02 advisory	7 014 508.01	0.16 %

¹ Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas

950 jobs created in supported projects	04 investments	5 971 777.12	0.14 %
	06 farm / business development	43 644 965.71	0.99 %
	16 cooperation	32 549 787.75	0.74 %
6B Fostering local development 52.50 % rural population under local development strategies 35.79 % rural population with improved services/infrastructure 1 700 jobs created (via LEADER)	01 knowledge	5 944 843.08	0.14 %
	02 advisory	4 352 258.78	0.10 %
	07 basic services	104 301 031.68	2.39 %
	16 cooperation	38 192 628.81	0.87 %
	19 LEADER and CLLD	200 292 220.93	4.58 %
6C Access to and quality of ICT 4.86 % of rural population benefiting from new or improved services/infrastructures (ICT)	07 basic services	506 001 804.75	11.57 %
	16 cooperation	1 788 599.44	0.04 %
Technical Assistance		174 295 489.43	3.99 %
Total public expenditure €		4 371 790 761.72	100 %