



Factsheet on 2014-2020 Rural Development Programme for Slovenia

The Rural Development Programme (RDP) for Slovenia, formally adopted by the European Commission on 13 February 2015 and last amended on 17 October 2018, outlines Slovenia's priorities for using the € 1.1 billion of public contribution that is available for the 7-year period 2014-2020 (of which € 838 million is from the EU budget).

The RDP for Slovenia focuses mainly on three priorities. Under the first – restoring, preserving and enhancing ecosystems related to agriculture and forestry – roughly one third of Slovenian farmland will be placed under funded contracts to improve biodiversity and water and soil management. Under the second – competitiveness of agri-sector and sustainable forestry – 2.9% of farms will receive support for economic and environmental investments (including in greater resource efficiency). Under the third – social inclusion and local development in rural areas - 66% of the population are anticipated to be covered by local development strategies. In addition, nearly 420 jobs are expected to be created.

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. 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 maximize 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 Slovenia 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 budget.

1. SITUATION AND KEY CHALLENGES

Three main challenges arise out of the following context: Slovenia covers an area of 20.273 km² of which 39.9% is agricultural area and 56.1% is forestry land. Of the total agricultural land (602.000 ha) 57.9% is permanent grassland and 36.5% is arable land. 21% and 75% respectively of the agricultural land is designated as NATURA 2000 areas and as areas facing natural constraints.

Slovenia has more than 72.000 agricultural holdings with an average size of 6.6 ha and an average standard output of roughly € 16.200. Of these, some 61.000 holdings farm on less than 10 ha and some 62.100 generate less than € 15.000 of standard output. Only 7.7 % of farm managers are young farmers.

Slovenia has a population of 2 million inhabitants, of which 43.7% live in rural areas and 56.3% in intermediate areas. The unemployment rate is 8% for the population in general and 15.5% among those younger than 24 years.

Three identified types of challenges are as follows: first, challenges related to land abandonment in the context of natural constraints combined with the need to preserve biodiversity, water and soil. Second, challenges related to the productivity of agriculture and competitiveness of primary

producers in the context of a fragmented land ownership. Last, the creation of businesses other than those related to agriculture is a key for creating jobs and fostering local development in rural areas.

2. HOW THE SLOVENIAN RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, the RDP for Slovenia funds action under five out of six rural development priorities - with a particular emphasis on **restoring, preserving and enhancing of ecosystems related to agriculture and forestry, competitiveness of agri-sector and sustainable forestry, and business creation and local development in rural areas**. The focus of each priority is explained briefly below.

Knowledge transfer and innovation in agriculture, forestry and rural areas

This cross-cutting priority is addressed through measures supporting training and advisory services for rural people and businesses: roughly **100.600 places on training courses** will be provided. Funded cooperation between farmers, advisers and research institutions provides for the transfer of knowledge and practical solutions for farmers.

Competitiveness of agri-sector and sustainable forestry

In the long term, **2.9% of holdings should receive support for investments on** agricultural holdings and thereby improve their productivity through better economic and environmental performance. Furthermore, **3.5%** of holdings should receive **support for young farmers to get started** and for **structural adjustment** during the initial setting-up.

Food chain organization, processing and marketing of agricultural products and animal welfare

Added value is sought to be created by improving product quality and marketing, through support for new participation in **quality schemes** and for setting up **producer groups in agricultural sectors**. This funding is complemented by support for **investments in processing and marketing agricultural products**. In addition, joint innovative activity of an economic, environmental or social character will be promoted, including in the framework of **the European Innovation Partnership for Agricultural Productivity and Sustainability**. There is also funding for **animal welfare** practices going beyond compulsory standards.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

33% of farmland is expected to be placed under funded contracts to **improve biodiversity, 29%** under contracts for better **water management** and **31%** under contracts for improving **soil management** - including through organic farming, practices against erosion, better management of pesticides and fertilizers, and habitat maintenance. There is also particular support for **restoring forest habitats** damaged by the **sleet-and- storm disaster** of February 2014.

Local development and job creation in rural areas

Support is targeted for **creating and developing small businesses** and for **farms diversifying** into non-agricultural activities. Taken together, it is anticipated that all these activities could **create 350 jobs**. This support is planned to be implemented by way of financial instruments.

The RDP also funds **Local Development Strategies** drawn up and implemented by Local Action Groups under the LEADER approach: these are expected to cover areas containing **66% of the rural population**.

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

€ 266 million allocated to Measure 13: Areas with natural constraints

€ 206 million allocated to Measure 4: Investments

€ 204 million allocated to Measure 10: Agri-environment and climate measures

€ 123 million allocated to Measure 6: Farm and business development

Annex: Indicative public support for the Rural Development Programme of Slovenia

Target		Measure	Indicative public support	%
P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas			0,00	
1A Innovation, cooperation, knowledge			0,00	
T1: percentage of expenditure under Articles 14, 15 and 35 of Regulation (EU) No 1305/2013	3,91	M01 Knowledge	0,00	
		M02 Advisory services	0,00	
		M16 Cooperation	0,00	
1B Research & innovation			0,00	
T2: Total number of cooperation operations supported under the cooperation measure (Article 35 of Regulation (EU) No 1305/2013) (groups, networks/clusters, pilot projects...)	60,00	M16 Cooperation	0,00	
1C Lifelong learning and vocational training			0,00	
T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013	100.600,00	M01 Knowledge	0,00	
P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests			223.621.866,81	20,20%
2A Farm performance		Total: 2A	162.346.866,81	14,66%
T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation	2,86	M01 Knowledge	1.875.000,00	0,17%
Total investment € (public + private)	356.251.845,57	M04 Physical Investment	131.704.554,31	11,90%
Nr of holdings supported for investment in agricultural holdings (4.1)	2.071,00	M06 Farm and business development	20.000.000,00	1,81%
		M16 Cooperation	8.767.312,50	0,79%
2B New farmers		Total: 2B	61.275.000,00	5,53%
T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers	3,45	M01 Knowledge	625.000,00	0,06%
Nr of beneficiaries (holdings) receiving start up aid young farmers (6.1)	2.500,00	M06 Farm and business development	60.650.000,00	5,48%

P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture			125.158.985,03	11,30%
3A Competitiveness of producers		Total: 3A	125.158.985,03	11,30%
T6: percentage of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisation	19,70	M01 Knowledge	5.500.000,00	0,50%
T25: Odstotek živilskopredelovalnih podjetij s podporo programa za razvoj podeželja za naložbe v predelavo/trženje in/ali razvoj kmetijskih proizvodov	10,00	M02 Advisory services	2.964.690,00	0,27%
Total investment € (public + private)	239.969.971,40	M03 Quality schemes	4.400.000,00	0,40%
Nr of operations supported for investment (e.g. in agricultural holdings, in processing and marketing of ag. products) (4.1 and 4.2)	318,00	M04 Physical Investment	73.761.261,70	6,66%
Nr of beneficiaries	10.400,00	M09 Producer groups / organisations	2.227.950,00	0,20%
Nr of holdings supported (3.1)	13.227,00	M14 Animal welfare	32.533.333,33	2,94%
Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)	80,00	M16 Cooperation	3.771.750,00	0,34%
Nr of holdings participating in producer groups supported	900,00			
Nr of beneficiaries advised (2.1)	1.395,00			
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry			573.215.930,00	51,77%
4A Biodiversity, HNV and landscapes		Total: P4	573.215.930,00	51,77%
T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)	33,05	M01 Knowledge	4.500.000,00	0,41%
4B Water management		M02 Advisory services	7.803.310,00	0,70%
T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	28,89	M08 Forest	20.454.400,00	1,85%
4C Soil management		M10 Agri-environment-climate	203.607.386,67	18,39%

T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	31,38	M11 Organic Farming	65.300.000,00	5,90%
P4 All Focus Areas		M13 Areas with natural constraints	265.933.333,33	24,02%
Area (ha) under agri-environment-climate (10.1)	327.810,00	M16 Cooperation	5.617.500,00	0,51%
Area (ha) - conversion to organic farming (11.1)	15.000,00			
Area (ha) - maintenance of organic farming (11.2)	40.000,00			
Nr of beneficiaries advised (2.1)	17.241,00			
P6: Promoting social inclusion, poverty reduction and economic development in rural areas			146.659.551,95	13,25%
6A Diversification, SMEs and job creation		Total: 6A	83.293.937,50	7,52%
T20: Jobs created in supported projects (focus area 6A)	350,00	M06 Farm and business development	42.361.333,33	3,83%
Total investment € (public + private)	86.000.000,00	M08 Forest	39.026.666,67	3,52%
Nr of beneficiaries (holdings) receiving start up aid/support for investment in non-agric activities in rural areas (6.2 and 6.4)	420,00	M16 Cooperation	1.905.937,50	0,17%
6B Local development		Total: 6B	53.365.614,45	4,82%
T21: percentage of rural population covered by local development strategies (focus area 6B)	65,57	M19 LEADER and CLLD	53.365.614,45	4,82%
T23: Jobs created in supported projects (Leader) (focus area 6B)	66,00			
Population covered by LAG	1.350.000,00			
Number of LAGs selected	33,00			
6C ICT		Total: 6C	10.000.000,00	0,90%
T24: percentage of rural population benefiting from new or improved services/infrastructures (ICT) (focus area 6C)	1,70	M07 Basic services	10.000.000,00	0,90%
M20 TA			33.261.333,33	3,00%
			33.261.333,33	3,00%
M113 Early retirement			5.295.000,00	0,48%

		5.295.000,00	0,48%
M341 Skills-acquisition and animation		0,00	0,00%
		0,00	0,00%
M131 Meeting standards		0,00	0,00%
		0,00	0,00%
Total public expenditure		1.107.212.667,12	100,00%