



## Factsheet on 2014-2020 Rural Development Programme for Slovenia

The Rural Development Programme (RDP) for Slovenia was formally adopted by the European Commission on 13 February 2015, outlining 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 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 - 29 % of farmland will be placed under funded contracts to improve biodiversity, with land also under contracts for improving water and soil management. Under the second - competitiveness of agri-sector and sustainable forestry - 3.4 % 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 will be covered by local development strategies and nearly 600 jobs will 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. 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 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

Slovenia covers an area of 20 273 km<sup>2</sup>, of which 39.9 % is agricultural area and 56.1 % is forest. Of the total agricultural land (602.000 ha in 2013) 57.9 % is permanent grassland and 36.5 % is arable land. 8.1 % of the Utilised Agricultural Area is used for organic farming. 37.9 % of the territory is designated as NATURA 2000 areas and 75.3 % as 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 € 16 200. Of these, some 61 000 holdings farm less than 10 ha and 62 100 generate less than € 15 000 of standard output. Only 7.7 % of farm managers are young farmers. These figures illustrate the context out of which three main types of challenge arise:

Challenges related to land abandonment and the status of ecosystems with pollution of surface and ground waters and pressure on biodiversity are central.

Challenges related to the viability and competitiveness of agriculture, in particular in the context of the current economic crisis, are considerable. In particular, it is necessary to address the low productivity of agriculture, improve inadequate agricultural infrastructure and help young farmers to get started.

Slovenia has a population of 2 million inhabitants, of which 58.6% live in predominantly rural areas and 41.4 % in intermediate areas. The unemployment rate is high – at 10 % (2013) for the population in general, and 21.6 % among those younger than 24 years. In this context, the creation of businesses other than those related to agriculture is also 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 of Slovenia will fund 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 **social inclusion 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 will be addressed through measures supporting training and advisory services for rural people and businesses: nearly **100 000 places on training courses** will be provided. 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.

### Competitiveness of agri-sector and sustainable forestry

In the long term, the agricultural holdings will improve their competitiveness through better economic and environmental performance and an increased share of young farmers among farm managers. **3.4 % of holdings** will receive support to **invest** in organic production, adaptation to climate change, animal welfare, water and energy efficiency and general technological improvements. Furthermore, **3.5%** of holdings should receive **support for young farmers to get started** and for **structural adjustment** after the initial setting-up.

### Food chain organisation, including processing and marketing of agricultural products and animal welfare

Added value will be created by improving product quality and marketing, through support for new participation in **quality schemes** and for setting up **producer groups**. Furthermore, funded cooperation between agricultural holdings, processing companies and research institutions will help to **develop new products** and build **short supply chains**. This funding will be complemented by support for **investments in processing and marketing agricultural products**. There will also be funding for **animal welfare** practices going beyond compulsory standards.

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

**29 % of farmland** will be placed under funded contracts to **improve biodiversity**, **24 %** under contracts for better **water management** and **27 %** under contracts for improving **soil management**<sup>1</sup> – including through organic farming, steps against erosion, better management of pesticides and fertilisers, and habitat maintenance. There

---

<sup>1</sup> These areas can overlap

will also be particular support for **restoring forest habitats** damaged by the **sleet-and-storm disaster** of February 2014.

#### Local development and job creation in rural areas

The programme will fund **Local Development Strategies** drawn up and implemented by Local Action Groups under the LEADER approach: these will cover areas containing **66 % of the rural population**. Support will also help to **create and develop small businesses** and **allow farms to diversify** into non-agricultural activities. Taken together, all these activities will help to **create nearly 600 jobs**.

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

- € 266 million allocated to Measure 13: Areas with natural constraints
- € 204 million allocated to Measure 10: Agri-environment and climate measures
- € 152 million allocated to Measure 4 : Investments
- € 60 million allocated to each of the Measures 6 and 11: farm and business development, and organic farming

## Annex 1: Indicative public support for the Rural Development Programme of Slovenia

Focus Area and targets	Measure	€ Total public	%
<b>P1: Knowledge transfer and innovation in agriculture, forestry and rural areas (1)</b>			
1A: fostering innovation, coop, knowledge base	01 knowledge		
3.91 % RDP expenditure	02 advisory services		
	16 cooperation		
1B: strenghtening links (with research, etc.) 60 coop operations	16 cooperation		
1C: training 99 600 participants	01 knowledge		
<b>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</b>		<b>223 621 867</b>	<b>20.20</b>
2A: Farm performance	01 knowledge	1 875 000	0.17
3.44 % of holdings with RDP support	04 investments	151 704 554	13.70
	16 cooperation	8 767 313	0.79
2B: Entry of skilled farmers, generation renewal	01 knowledge	625 000	0.06
3.45 % of holdings with RDP support for YF	06 development	60 650 000	5.48
<b>P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture</b>		<b>101 898 083</b>	<b>9.20</b>
3A: Improving competitiveness	01 knowledge	1 078 385	0.10
1.70 % of farms supported	02 advisory services	290 736	0.03
	03 quality schemes	1 738 667	0.16
	04 investments	76 422 595	6.90
	09 producer groups	2 227 950	0.20
	14 animal welfare	16 368 000	1.48
	16 cooperation	3 771 750	0.34
<b>P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry (2)</b>		<b>575 211 499</b>	<b>51.95</b>
4A: Biodiversity	01 knowledge	8 921 615	0.81
28.73 % UAA under contract	02 advisory services	10 477 264	0.95
4B: Water management	08 forest investments	20 454 400	1.85
24.74 % UAA under contract	10 AgEnvClimate	203 607 387	18.39
	11 organic farming	60 200 000	5.44
4C: Soil erosion and management	13 ANC	265 933 333	24.02
27.23 % UAA under contract	16 cooperation	5 617 500	0.51
<b>P6: Promoting social inclusion, poverty reduction and economic development in rural areas</b>		<b>167 991 552</b>	<b>15.17</b>
6A: Small enterprises	06 development	64 693 333	5.84
500 jobs created	08 forest investments	39 026 667	3.52
	16 cooperation	1 905 938	0.17
6B: Leader	19 LEADER	52 365 614	4.73

66 jobs created 65.57 % rural pop in LDS			
6C: ICT 1.7 % rural pop improved services	07 basic services	10 000 000	0.90
<b>Early retirement - discontinued measure</b>		<b>5 295 000</b>	<b>0,48</b>
<b>Technical assistance</b>		<b>33 261 333</b>	<b>3.00</b>
<b>TOTAL PUBLIC ALLOCATIONS</b>		<b>1 107 279 334</b>	<b>100</b>

(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