

Rural Development Programme (RDP) of Bavaria, Germany

**Bayerisches Zukunftsprogramm
Agrarwirtschaft und Ländlicher Raum
2007-2013 (BayZAL) – version 2010¹**
(Bavarian future programme for Agriculture
and Rural Development 2007-2013 – BayFAR)

Relevant Contact Details

Address: Bayerisches Staatsministerium
für Ernährung, Landwirtschaft und Forsten
(StMELF), Ludwigstraße 2, 80539 München,
Germany

Telephone number: + 49 89 2182 0

Managing Authority Website:

<http://www.stmelf.bayern.de>

Other useful links:

Rural Development Programme (RDP):

[http://enrd.ec.europa.eu/rural-development-](http://enrd.ec.europa.eu/rural-development-policy/country-informa-)
[policy/country-](http://enrd.ec.europa.eu/rural-development-policy/country-informa-)
[informa-](http://enrd.ec.europa.eu/rural-development-policy/country-informa-)

[tion/germany/en/germany_home_en.cfm](http://enrd.ec.europa.eu/rural-development-policy/country-informa-tion/germany/en/germany_home_en.cfm)

German National Rural Network (NRN):

<http://www.netzwerk-laendlicher-raum.de/>



Map of Bavaria
(© European Commission)

General socio-economic situation in rural areas in Bavaria

Bavaria is the largest German state by area, with 70,542 km² and a population of over 12.5 million. It is located in the south-east of the country, directly bordering the Czech Republic and Austria. The GDP of Bavaria was € 32,815 per capita in 2007, which was significantly higher than the German average. In January 2010, the unemployment rate was 5.5 %. The population consists of 51% women, with women also comprising 44.4% of the workforce. In terms of age, 68% of the population are between the ages of 15 and 65; 16.5% are over the age of 65, and 15.5% are under the age of 15. The rural areas of Bavaria make up 85% of the total land coverage, and 45% of the population (= about 5.4 million) live here. Rural Bavaria encompasses 50,000 towns, villages and settlements and boasts a strong awareness of cultural diversity, traditions etc. About 50% of Bavarian land is used for agricultural purposes with another 35% covered by forest. In 2003, the agricultural sector comprised 125,000 farms (more than one third of all Germany's farms) and employed 332,000 people. Of these, 4,751 were organic farms, amounting to 28% of Germany's organic farms.

However, it is widely accepted that both EU enlargement and the globalisation of business, will strongly influence rural development in Bavaria. With the added concern of issues such as climate change, growing metropolitan regions and general demographic development, rural planning is imperative. As the SWOT analysis clearly states rural structures vary significantly in terms of the

¹ Latest updated RDP, following the adoption of the Health Check and European Economic Recovery Package and additional funds from Modulation (i.e. adjustments between Pillar 1 (Agriculture) & 2 (Rural Development) of the Common Agricultural Policy (CAP).

extent of local development and demographics. In general, areas with a greater urban influence tend to benefit from increased 'urban/rural' interaction in terms of higher levels of socio-economic development.

Following the CAP Health Check, the amended RDP also prioritises climate change mitigation, biodiversity and measures compensating for the loss of obligatory set-aside. Regarding the availability of broadband, a sufficient infrastructure is assured in rural areas without supplementary support via the RDP; a national special support programme implemented in 2008 supported investments in broadband. A new distribution system for the EU budget to the German Länder (revised German National Strategy Plan) has provided an additional amount of €7,170,550 EAFRD to Bavaria for agri-environmental measures, as well as contributing towards the 'conservation and upgrading of the rural heritage' (measure 323). The axes' funding shares slightly changed compared to the approved programme, notably because the Health Check and European Economic Recovery Package budget, as well as private contributions, are not taken into account for the balance calculation.

RDP strategic objectives

The Bavarian RDP is pursuing an innovative and growth-oriented approach which supports industrial, organic and social aspects of rural development. The main objective is the promotion of rural areas as diverse economic and living spaces, as well as creating and maintaining a more balanced standard of living in all regions of Bavaria. This is done through restructuring and developing real capital, so as to improve competitiveness and further the sustainable management of agricultural and forestry areas. Quality of life and diversification are improved through development and the implementation of local development plans. The Leader axis also helps support cross initiatives and the implementation of main measures. On the basis of the SWOT analysis, the RDP has defined 21 main measures that together with the Leader approach form the basis for achieving the strategic goals aimed at revitalising rural areas. The strategy openly builds upon the potentials in EAFRD.

The additional budget following the Health Check and the European Economic Recovery Package is distributed with reference to the 'new challenges' as follows:

- Climate change: five sub-measures of the cultural landscape programme KULAP (60%)
- Water management: four sub-measures of the KULAP (20%)
- Biodiversity: five sub-measures, two of the nature protection programme (VNS), and three of the KULAP (20%).

Expected impact / outcomes of the policies

In Bavaria, the overall focus is on stabilising and improving the environment through the long-term and systematic awareness of environmental effects. Therefore, approximately 40% of the total expenditure is aimed at promoting sustainable practices in agricultural holdings. The Bavarian RDP explicitly states (ch. 4.2.1.6) that the expected outcomes must be estimated in terms of the identification of specific impact areas of the RDP and the weighting of effects after financial priorities (including EAFRD and the additional state funds). This will clarify the focus of future rural development policies. Therefore, all the RDP measures need to be taken into account, while expected outcomes beyond the RDP clearly concentrate on:

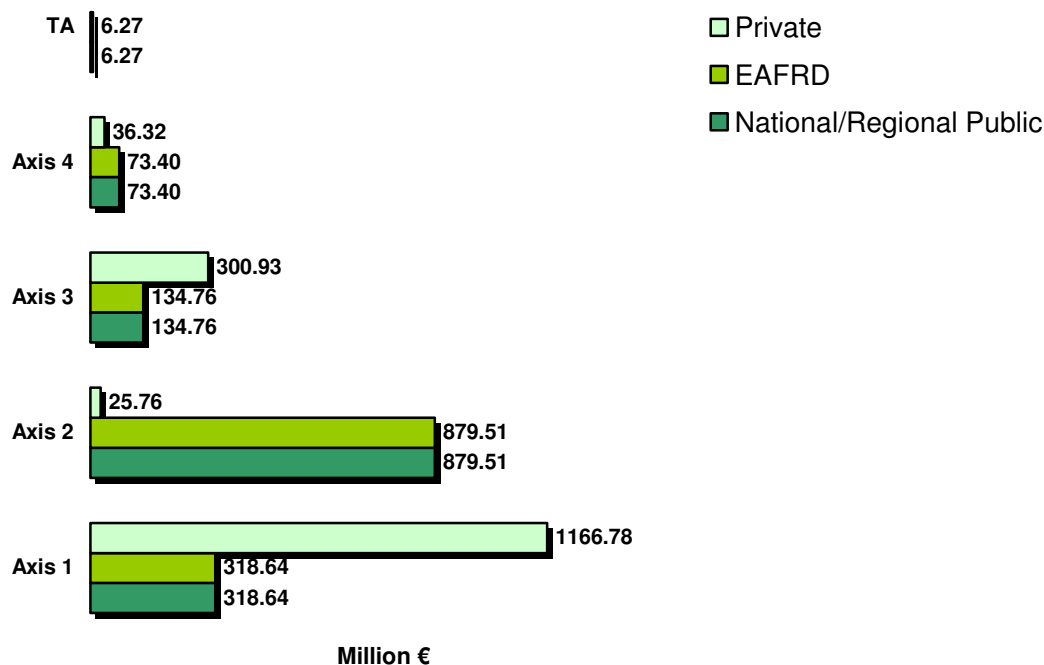
- Improving efficiency in agriculture, forestry and marketing;
- Ensuring the comprehensive and sustainable use of cultural landscapes;

² A full list of the RDP measures can be found in Annex I.

- Ensuring the development of species and habitats;
- Protection of key environmental qualities; and
- Improving quality of life and the (tourist-cultural) appeal of rural areas.

The effects and indicators for measure 214 aren't subject to amendment as the overall objectives and targets remain unchanged in terms of priorities, the number of beneficiaries, and areas eligible. However, indicators for measure 323 have been adapted, so as to more efficiently meet requests for the support of eligible investment projects (cp. section 5.4 of the amended RDP).

RDP budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding) of €4,354,933,580



The RDP budget allocations are broadly divided into four main areas of expenditure, known as axes (namely: Improving the competitiveness of the agricultural and forestry sector; Improving the environment and the countryside; Quality of life in rural areas and diversification of the rural economy; and Leader). Approximately 41.4% of the overall RDP budget in Bavaria is allocated to axis 1 (€1.8 million); approximately 40.9% is allocated to axis 2 (€1.78 million), 13.1% to axis 3 (€570.44 million), and 4.2% to axis 4 (€183.11 million), with 0.3% available to fund 'technical assistance' (€12.53 million).

Within axis 1, National/Regional public funding represents an approximate 17.7% share of funding; EAFRD 18%; and private funds 64.7% (additional national top-ups: € 138,640,000).

Within axis 2, National/Regional public funding represents an approximate 49.3% share of funding;

EAFRD 49%; and private funds 1.4% (additional national top-ups: € 419,372,330).

Within axis 3, National/Regional public funding represents an approximate 23.6% share of funding; EAFRD 24% and private funds 52.8% (additional national top-ups: € 313,616,588).

Within axis 4, National/Regional public funding represents an approximate 40% share of funding; EAFRD 40%; and private funds %.

Within 'technical assistance, National/Regional public funding represents an approximate 50% share of funding, and EAFRD 50%.

An additional EU budget of €144,159,238 is allocated to measure 214 (KULAP and VNS), and is foreseen for sub-measures relating to the "new challenges". According to the revised German National Strategy Plan, an additional amount of €7,170,550 EAFRD contribution has been allocated to Bavaria. Of these resources, another €6,287,138 is allocated for the agri-environmental measures (total funds available for measure 214: €150,446,376), with the residual amount of €883,412 being transferred to measure 323.

Axis Information²

Axis 1 objectives: Improving the competitiveness of the agricultural and forestry sector

The main priority of axis 1 in Bavaria is to improve the 'modernisation of agricultural holdings' (measure 121) which accounts for 54.3% of the axis budget. A further 25.2% is targeted at actions related to 'adding value to agricultural and forestry products' (measure 123). Other support includes, funding to support the development of infrastructure related to the 'development and adaptation of agriculture and forestry' (16.5%, measure 125), as well as providing support for 'restoring agricultural production potential' (4.1%, measure 126).

For measure 121, the eligibility criteria have been changed, i.e. the maximum investment volume has been increased from €200,000 to €300,000 and - in case of farm co-operations - from €400,000 to €600,000. The minimum investment volume has been decreased from €30,000 to €20,000.

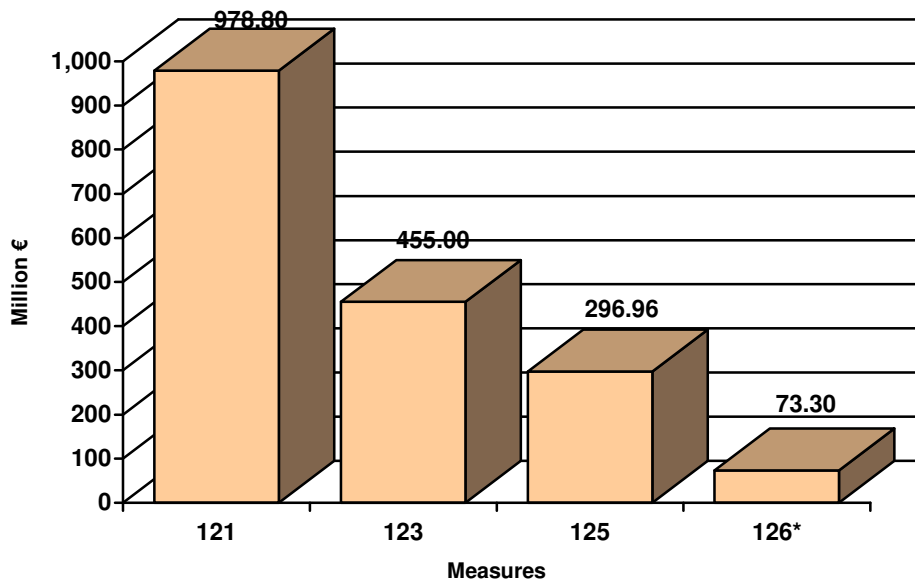
Result targets for measure 121 were modified following the 2009 amendments of the RDP:

- The targeted number of enterprises introducing new products and/or methods was quantified to reach 2,000;
- Additionally, a result target was set of €12,000 in terms of increasing gross value added (GVA) in such enterprises.

Output indicators for measure 121 have also been increased with the targeted number of enterprises supported now reaching 11,750 instead of 10,500 formerly.

There were no changes to the result indicators of measures 123, 125 and 126. For measure 123, result indicator targets not yet quantified in the approved RDP were added: 35 enterprises are targeted to introduce new products and/or methods. The output targets for measure 125 (infrastructure related to the development and adaptation of agriculture and forestry) have been increased to 2,100 operations on agriculture and 1,100 operations on forestry with a total investment volume of €422.5 million.

Axis 1 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €1,804,060,000



*Measures marked receive no private funding.

Following the RDP's latest update, the total budget amount for axis 1 is €1,804,060,000. There are additional national financial resources (top-ups) of €138,640,000 available for axis 1, of which €77,000,000 is allocated to measure 121, and €61,640,000 to measure 125. Furthermore, a transfer of part of the 'previous' EAFRD budget has taken place, namely €33,750,000 from measure 214 to 121.

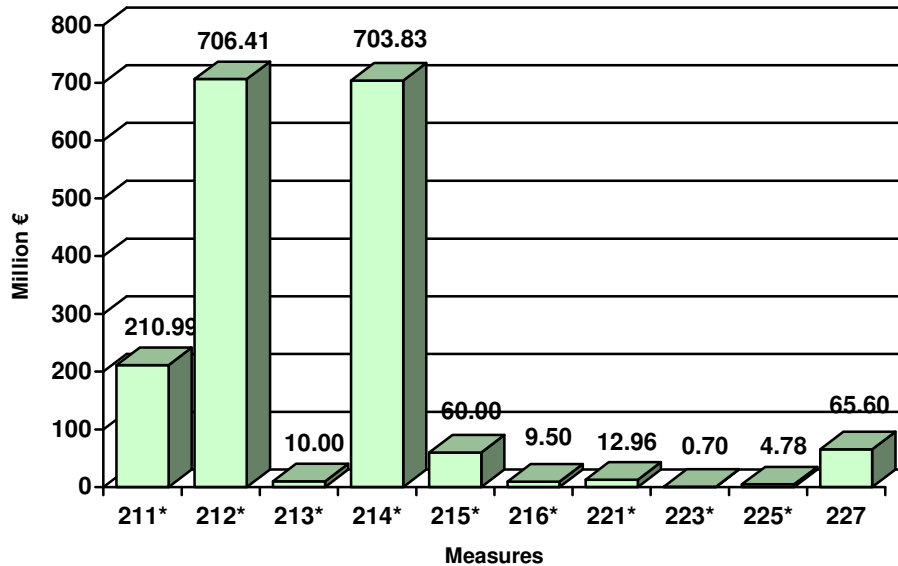
Axis 2 objectives: Improving the environment and the countryside

The main objective of axis 2 is the protection of the Bavarian cultural landscape due to its importance in terms of cultural heritage, as well as for the environment and preservation. Measures 211, 212 and 214 are important if the depopulation of rural areas is to be halted or reversed 'Agro-environment measures (AEM) play a dominant role in the Bavarian RDP and a significant number of existing measures and sub-measures, meeting the new challenges of climate change, water management and biodiversity is offered'.

Within axis 2, the largest budget share is allocated to measures 212 (39.6%, 'payments to farmers in disadvantaged areas, other than mountain areas') and 214 (39.4%, 'agri-environment payments'). The third largest share of 11.8% is allocated to measure 211 ('natural handicap payments to farmers in mountain areas'). Measures 215 and 227 both account for a budget share of 3.4-3.7%, while measures 213, 216, 221, 223 and 225 each account below 1%.

The effects and indicators for measure 214 aren't subject to relevant changes as the overall objectives and targets remain unchanged in terms of primes, number of beneficiaries, and areas eligible.

Axis 2 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €1,784,770,756



*Measures marked receive no private funding.

Following the RDP's latest update, the total budget amount for axis 2 is €1,784,770,756. An additional EU budget of €144,159,238 has been added to measure 214 (KULAP and VNS), i.e. Health Check and European Economic Recovery Package money that is foreseen for measures relating in particular to the "new challenges". According to the revised German National Strategy Plan, an additional amount of €7,170,550 EAFRD contribution has been allocated to Bavaria. Of these resources, another €6,287,138 has been assigned to the agri-environmental measures (total EU funds available for measure 214: €150,446,376), the residual amount of €883,412 is transferred to measure 323.

There are additional national financial resources (top-ups) of €409,372,330 available for axis 2, of which the largest share of €348.262.001 is allocated to measure 214.

Transfers from the 'previous' budget between axis 1, 2 and 3 as well as between axis 2 measures have been made.

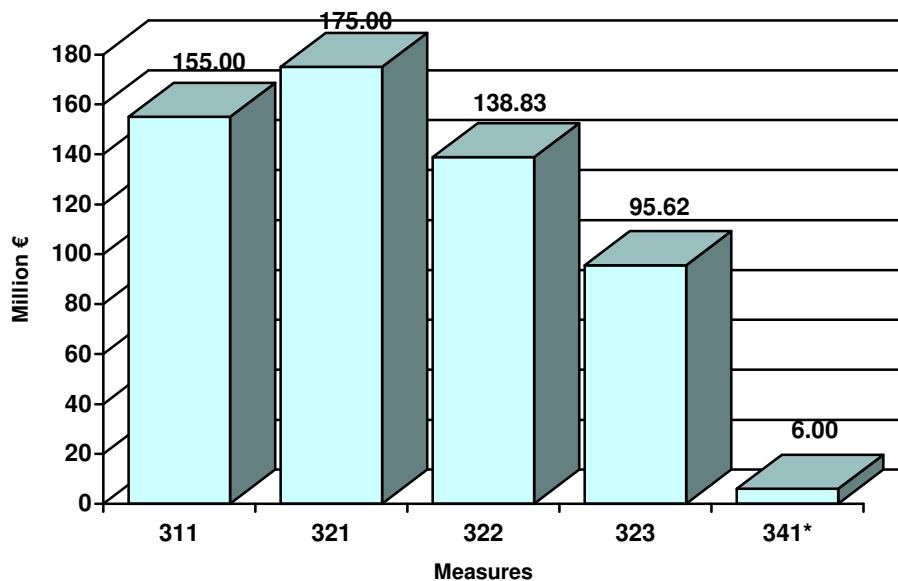
Axis 3 objectives: Quality of life in rural areas and diversification of the rural economy

The decline in agricultural employment and rural trade sector requires immediate attention. In the meantime farmers will likely continue to combine agricultural and non-agricultural sources of income. A variety of intact cultural landscapes form the basis for the sustainable development of rural areas. It provides natural settlements for people and contributes to a sense of regional identity. Though this is considered a so-called 'soft' location factor, it has real economic significance in terms of recreation and tourism. Within axis 3, 'basic services for the economy and rural population' (measure 321) receives the largest share of funds (30.7%), followed by support for 'diversification into non-agricultural activities' (measure 311) with 27.2% and for 'village renewal and development' (measure 322) with 24.2%. 16% of funds are allocated to the 'conservation and upgrading of the rural heritage' (measure 323) while the smallest share of 1% is allocated to measure

341.

Indicators for measure 323 have been adapted so as to more efficiently support eligible investment projects. Output targets have been increased from 9,900 to 11,200 projects and the total invested has increased from €97 million to €116 million. Result targets were quantified regarding the number of inhabitants benefitting from the actions supported (3,000,000), while the other targets remain unchanged. The output target for measure 311 has been increased from 1,700 to 1,850 beneficiaries.

Axis 3 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €570,449,824



*Measures marked receive no private funding.

Following the RDP's latest update, the total budget amount for axis 3 is €570,449,824. Certain shifts have occurred in amounts allocated as part of the previous budget between axis 2 and 3.

Axis 4 objectives: Leader

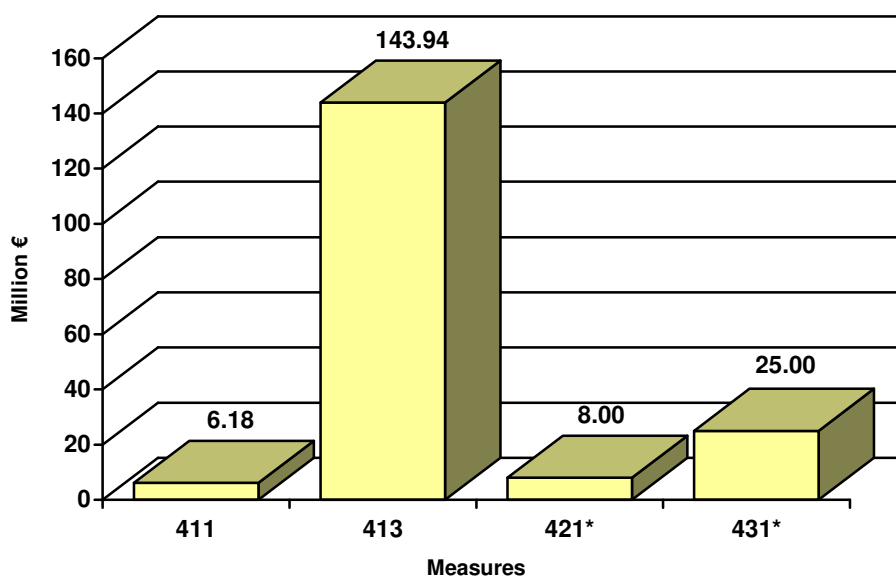
The SWOT analysis refers several times to the added value of regional development concepts, and in particular to the 'leader' approach as a significant quality and profitability driver. Rural areas differ in terms of general trends and issues of concern. The endogenous and 'leader' approach offer a suitable instrument for self-reliant action and to promote actions from the other three priorities within the EAFRD, for optimising rural development. It is expected that the importance of 'leader' will increase as a result of the newly created possibility of using broader measures. Building on inherent strengths, in particular a strong social commitment, 58 'local action groups' (LAGs) have been established, with the aim of creating 1,700 supported projects placing agriculture and the rural population at the centre of possible regional strategies, for example the upgrading of rural areas as self-dependent areas for 'living, nature, culture and recreation'.

Measure 413 (quality of life/diversification) receives the largest share of the axis 4 budget, i.e. 78.6%, followed by measure 431 (running the LAG, skills acquisition, animation) with 13.7%.

Measures 411 and 421 receive a smaller share of 3.4% and 4.4%, respectively.

There are no modifications in relation to axis 4 following the latest RDP update.

Axis 4 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €183,119,000



*Measures marked receive no private funding.

The total budget allocation under axis 4 in the amended RDP remains the same as in the approved programme, namely €183,119,000.

There are no modifications to axis 4 output and result indicators.

Monitoring and evaluation strategy

The Bavarian RDP, with its priorities and measures of funding, estimates the effects in relation to the objectives, and impact analysis as part of an ongoing evaluation by independent evaluators on the basis of recognised evaluation techniques. The assessments examine the degree of utilisation of resources, the effectiveness and efficiency of programming, and the socio-economic impact on the priorities of the EU. The evaluation helps to improve the quality, efficiency and effectiveness of the implementation of the Bavarian RDP. The programme has also defined – and financed – the necessary tools for actually carrying out the monitoring and the evaluation activities. Overall, output, result and impact indicators are in line with the CMEF, and were replaced, where necessary for individual measures, by alternative or programme-specific indicators (cp amended RDP, p.710).

Communication and publicity

In accordance with EU regulation, the Bavarian RDP has defined a strategy for communicating the implementation of programme measures. The responsibility lies with the two Bavarian ministries –

the Ministry for Food, Agriculture, and Forestry and the Ministry for the Environment, Health and Consumer Protection. The strategy, defining 1) initiatives for informing target groups and potential beneficiaries and 2) initiatives for informing beneficiaries and the general public about the EU's contributions and results. The strategy also defines the means of communication: media, Internet, meetings, newspaper visits to projects, publications etc., including a 'communication plan' as well as a strategy for evaluating the communication. Moreover, the communication strategy concerning the Bavarian RDP is divided into three stages: 1) throughout the planning period, 2) during implementation, and 3) informing the public about the result of the intervention after programme completion.

Annex I – Measures

Measures selected by the RDP Measures selected by the updated RDP

Axis 1 - Improving the competitiveness of the agricultural and forestry sector	<i>Promoting knowledge and improving human potential</i>	111	Vocational training and information actions
		112	Setting up of young farmers
		113	Early retirement
		114	Use of advisory services
		115	Setting up of management, relief and advisory services
	<i>Restructuring and developing physical potential and promoting innovation</i>	121	Modernisation of agricultural holdings
		122	Improvement of the economic value of forests
		123	Adding value to agricultural and forestry products
		124	Cooperation for development of new products, processes and technologies in the agriculture and food sector and in the forestry sector
		125	Infrastructure related to the development and adaptation of agriculture and forestry
		126	Restoring agricultural production potential
	<i>Quality of agricultural production and products</i>	131	Meeting standards based on EU legislation
		132	Participation of farmers in food quality schemes
		133	Information and promotion activities
<i>Transitional measures</i>	141	Semi-subsistence farming	
	142	Producer groups	
	143	Providing farm advisory and extension services	
Axis 2 - Improving the environment and the countryside	<i>Sustainable use of agricultural land</i>	211	Natural handicap payments to farmers in mountain areas
		212	Payments to farmers in areas with handicaps, other than mountain areas
		213	Natura 2000 payments and payments linked to Directive 2000/60/EC
		214	Agri-environment payments
		215	Animal welfare payments
		216	Non-productive investments
	<i>Sustainable use of forestry land</i>	221	First afforestation of agricultural land
		222	First establishment of agroforestry systems on agricultural land
		223	First afforestation of non-agricultural land
		224	Natura 2000 payments
		225	Forest-environment payments
		226	Restoring forestry potential and introducing prevention actions
		227	Non-productive investments
Axis 3 - Quality of life in rural areas and diversification of the rural economy	<i>Diversify the rural economy</i>	311	Diversification into non-agricultural activities
		312	Support for business creation and development
		313	Encouragement of tourism activities
	<i>Improve the quality of life in rural areas</i>	321	Basic services for the economy and rural population
		322	Village renewal and development
		323	Conservation and upgrading of the rural heritage
	<i> </i>	331	Training and information
		341	Skills-acquisition and animation measure with a view to preparing and implementing a local development strategy
Axis 4 - Leader	<i>Implementing local development strategies</i>	411	Competitiveness
		412	Environment/land management
		413	Quality of life/diversification
	421	Implementing cooperation projects	
	431	Running the LAG, skills acquisition, animation	