

## Rural Development Programme of North Rhine-Westphalia, Germany

**NRW-Programm ‚Ländlicher Raum‘ 2007 – 2013 - Plan des Landes Nordrhein-Westfalen zur Entwicklung des ländlichen Raums – *To be inserted*<sup>1</sup>**

(NRW-Programme "Rural Areas" 2007 – 2013 – Plan of the Bundesland North Rhine-Westphalia for Rural Development)

### Relevant Contact Details

#### Managing Authority Website:

[http://www.umwelt.nrw.de/landwirtschaft/nrw\\_programm/index.php](http://www.umwelt.nrw.de/landwirtschaft/nrw_programm/index.php)

#### Other useful links:

Rural Development Programme (RDP):

[http://enrd.ec.europa.eu/rural-development-policy/country-information/germany/en/germany\\_home\\_en.cfm](http://enrd.ec.europa.eu/rural-development-policy/country-information/germany/en/germany_home_en.cfm)

National Strategy Plan (NSP):

[http://www.bmelv.de/cdn\\_163/SharedDocs/Standardartikel/Landwirtschaft/Laendliche-Raeume/KonzepteStrategien/natStrategieplan.html?nn=310134](http://www.bmelv.de/cdn_163/SharedDocs/Standardartikel/Landwirtschaft/Laendliche-Raeume/KonzepteStrategien/natStrategieplan.html?nn=310134)

German National Rural Network (NRN):

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



**Map of Nord Rhine-Westphalia**

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## General socio-economic situation in rural areas in North Rhein-Westphalia

With a population of approximately 18 million people and 528 inhabitants/km<sup>2</sup>, North Rhein-Westphalia has the highest population density of all the German Länder (except city Länder). Nordrhein-Westfalen has an area of 34,085 km<sup>2</sup>, of which approximately 39% is used for agriculture. A total of 43.3% of the population live in rural and peripheral areas. However, it is an ageing population. In 2003 the ratio of people aged 60 years or over compared to the working population was around 45% - this is about 3% above the German average and is expected to grow. The unemployment rate in December 2009 was 8.7%. Unemployment tends to be lower in the rural areas. In 2007 the GDP per capita in Nordrhein-Westfalen was €29,396, which is slightly less than the average German GDP per capita in 2007 of €29,465. Agriculture and forestry make up approximately 0.7% of total GDP in Nordrhein-Westfalen, which is below the national average of 1%. There are more than 54,000 agricultural holdings

<sup>1</sup> 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).

and more than 4,200 forestry holdings in Nordrhein-Westfalen with an even distribution between part-time and full-time farmers.

However, the rural population of Nordrhein-Westfalen is now changing. Despite enjoying a central location in Europe, good infrastructure with easy access to all centres and a positive interdependence between rural and urban areas, many people are now leaving the rural areas. Young people especially are leaving the region, in particular the Ruhr area, thus increasing the proportion of older people. In rural areas, the number of farms continues to decrease (although with varied intensity) and many farm buildings will no longer be used as such. This has implications for the rural economy and environment with impacts upon the structure of both villages and landscapes.

Following the CAP Health Check, and in recognition of the greater emphasis now being given to the “new challenges” facing agriculture and rural areas, the revised RDP for Nordrhein-Westfalen further highlights biodiversity conservation, the need to improve water management, and the restructuring of the dairy sector

Two new agri-environment sub-measures (measure 214) are introduced in order to contribute to the new challenges of biodiversity and water management: “Cultivation of flowering strips” and “Cultivation of catch crops”. These will complement the existing sub-measures of “Crop rotation on arable land” and “Establishment of border strips along banks”. Measure 215 (Animal welfare payments) is now introduced to accompany the restructuring of the dairy sector and to support dairy farms following the expiration of milk quotas by 2015. In addition, funds previously allocated to measure 214 are being reallocated to: a) measure 121 (Modernisation of agricultural holdings) to help dairy producers respond to new market conditions and b) to measure 212 (Payments to farmers in areas with handicaps, other than mountain areas) in order to continue implementing the measure until 2013.

## **RDP strategic objectives**

In accordance with the German Strategic Plan for Rural Development, the RDP 2007-2013 of North Rhein-Westphalia has been developed in line with the guidelines for EARFD funding and the specific situation of rural areas in the region. The overall model for the RDP is the EU approach of multi-functional agriculture and forestry combined with vital and attractive rural areas. The design of the RDP encompasses the three main Axes 1-3 of the EAFRD integrated with the LEADER approach (axis 4). The SWOT analysis of the RDP concludes that an integrated approach is the best way of developing the strengths and reducing the weaknesses of North Rhein-Westphalia’s rural areas. Rural areas must aim to adapt the use of their potential according to changes in the conditions of business, politics and society, including globalisation, further EU enlargement, CAP reform, demographic trends and changes in society’s expectations from agriculture, forestry and rural areas.

A new chapter updating the strategy in relation to the CAP Health Check and European Economic Recovery Package has been included in the RDP. Detailed information regarding biodiversity and the situation after the previous withdrawal of set-aside is provided. Recent developments in the dairy sector and the importance of the dairy sector for the agriculture sector in Nordrhein-Westfalen are also explained.

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<sup>2</sup> A full list of the RDP measures can be found in Annex I.

<sup>3</sup> For measures 211, 212, 213, 214, 215, 216, and 224 no private spending has been allocated.

<sup>4</sup> For measures 313 and 321 no private spending has been allocated.

<sup>5</sup> For measures 412 and 431 no private spending has been allocated.

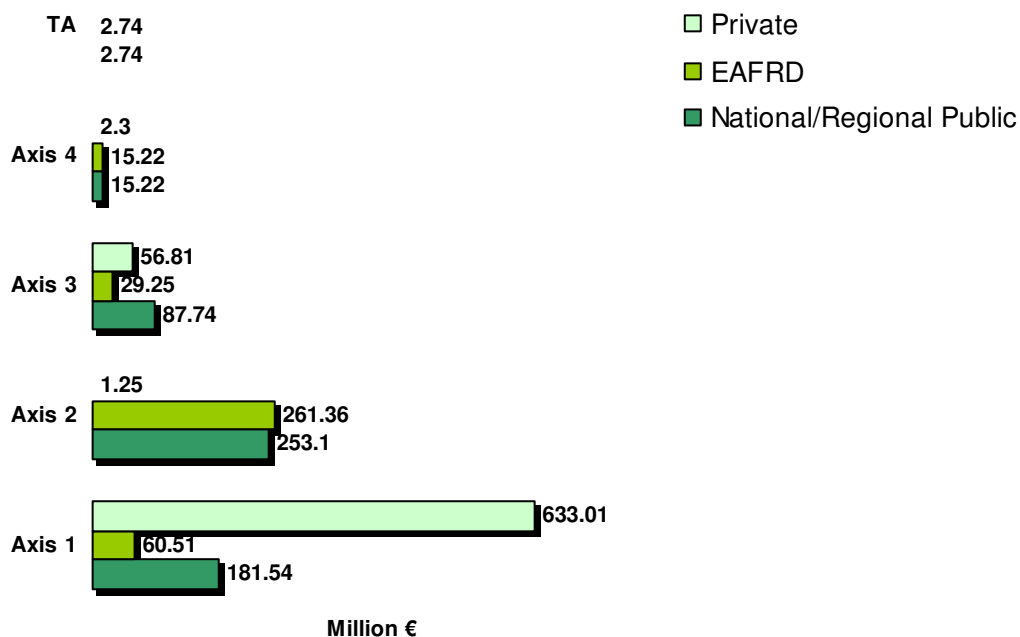
## Expected impact / outcomes of the policies

The expected outcomes of the RDP policy are found with the objectives defined in Chapter 3.2 of the RDP entitled, "The Overall Strategy of the NRW Entwicklungsprogramm 2007-2013". This states that North Rhein-Westphalia – despite also being a region for big industry – is still heavily dependent upon rural business and has the third largest agricultural production among the German Länder. With 80% of North Rhein-Westphalia's territory being used for agriculture and forestry, it is a dominant and indispensable part of the overall regional profile. The determinant factors for vital rural areas are:

1. functioning and sustainable businesses;
2. attractive living conditions;
3. intact social networks;
4. strong regional identity;
5. functioning ecosystem;
6. attractive landscapes.

The expected impacts following the RDP amendment due to Health Check and European Economic Recovery Package are described separately for each amendment within the axis information. Specific adaptations to input, output and result indicator targets for measures have been introduced. Detailed information on the indicators for individual measures is provided in the RDP's indicator tables.

## RDP budget breakdown by axis: Total expenditure 2007-2013 (including national/regional + EAFRD + private funding) of €1,602,781,065



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 55% of the overall RDP budget in Nordrhein-Westfalen is allocated to axis 1 (€875.06 million). A further 32% is allocated to axis 2 (€515.71 million), 11% to axis 3 (€173.79 million) and 2% to axis 4 (€32.74 million), with less than 0.5% available to fund Technical Assistance (€5.48 million).

Within axis 1, national/regional public funding represents approximately 21% share of the axis funding; EAFRD 7%; and private funds 72%.

Within axis 2, national/regional public funding represents approximately 49% share of the axis funding; EAFRD 51%; and private funds 0.2%.

Within axis 3, national/regional public funding represents approximately 50% share of the axis funding; EAFRD 17% and private funds 33%.

Within axis 4, national/regional public funding represents approximately 46% share of the axis funding; EAFRD 46%; and private funds 7%.

Within technical assistance, national/regional public funding represents approximately 50% share of the technical assistance funding and EAFRD 50%.

Following the 2010 RDP amendments, the RDP of North Rhein-Westphalia received a total additional amount of €76,608,506 EAFRD contribution comprised of: €74,637,777 (resulting from the CAP Health Check and European Economic Recovery Package including unused funds according to Article 136 of Council Regulation (EC) No 73/2009) plus €1,970,729 (resulting from Commission Decision C(2008)8370 and a correction of the distribution of the existing modulation money to the German *Länder*) which were attributed to measures 214 "Agri-environment payments" and 215 "Animal welfare payments".

## Axis Information<sup>2</sup>

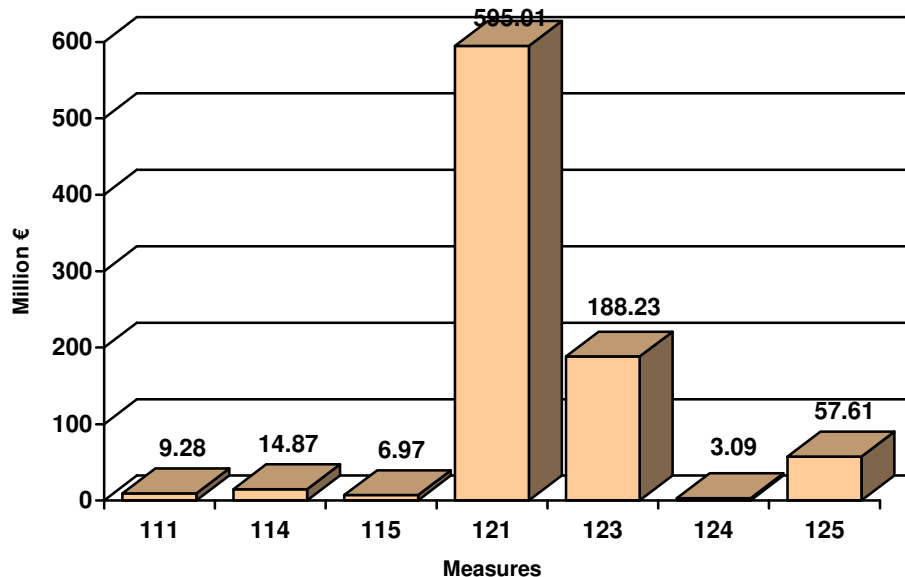
### ***Axis 1 objectives: Improving the competitiveness of the agricultural and forestry sector***

North Rhein-Westphalia has significant strengths in agriculture and its downstream activities. The framework for the market is good due to the close proximity of consumers. However, there are significant structural weaknesses in some areas such as milk production and pig-keeping. Improvements in competitiveness will be achieved through: a) measure 121 (Modernization of agricultural holdings) aimed at 1,980 supported holdings and 120 enterprises introducing new products or technologies thereby securing up to 3,900 jobs and creating up to 150 new jobs, and b) measure 123 (Adding value to agricultural and forestry products) securing 5,000 jobs and creating approximately 150.

The aim is to create a situation where as many companies as possible can create a sufficient income. Special emphasis is also placed on the qualifications of people working in agriculture and forestry using measure 111 (Vocational training and information actions) since their skills

are a key factor for business development in the rapidly changing environment. It is also planned to resolve some existing deficiencies in infrastructure with measure 125 (Infrastructure related to the development and adaptation of agriculture and forestry).

**Axis 1 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €875,060,438**



Following the 2010 RDP amendments, the total budget amount for axis 1 was increased to €875,060,438, which includes a transfer of €6.7 million within the EAFRD budget from measure 214 to measure 121 (plus a corresponding adaptation of the public contribution for measure 121 by approximately €27 million). The additional funds are targeted at supporting dairy production as noted above.

**Axis 2 objectives: Improving the environment and the countryside**

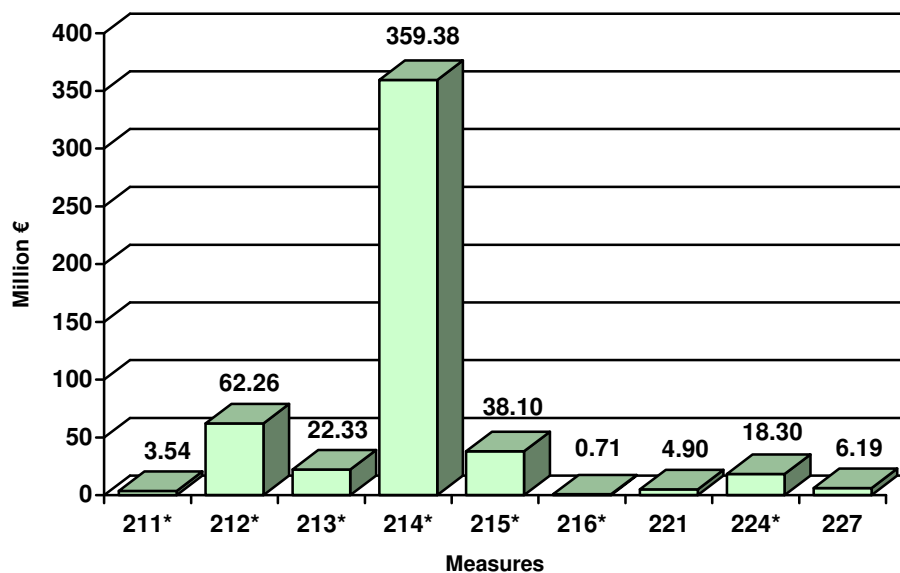
The priorities for Axis 2 are measures 212 (Payments to farmers in areas with handicaps, other than mountain areas) and 214 (Agri-environment payments). Other important measures include 215 (Animal welfare payments), 213 (Natura 2000 payments on agricultural land) and 224 (Natura 2000 payments on forestry land).

Overall targets for Axis 2 include support for 145,000 ha of less favoured area (LFA) (mountain and other areas) - plus contributions to improved biodiversity on 290,000 ha; improved quality of water on 275,000 ha; mitigating climate change on 255,000 ha, and; avoiding land abandonment on 115,000 ha through agri-environmental measures. Compensatory payments to support implementation of the requirements of Natura 2000 on both agricultural and forestry land are programmed. Being the largest user of land in North Rhein-Westphalia, agriculture and forestry have markedly shaped the cultural landscape and are regarded as key factors in any strategy to preserve the diversity of the cultural landscape of the region. Particular attention is paid to the low mountain range region of North Rhein-Westphalia which has some difficult production conditions, but great potential for cultural landscapes.

Following the 2010 RDP amendments, a total of €16 million EAFRD budget is transferred from measure 214 (Agri-environment payments) to measure 212 (Payments to farmers in areas with handicaps, other than mountain areas) to ensure continued financing of this measure until the end of the programming period. At the same time, two new sub-measures "Cultivation of flowering strips" and "Cultivation of catch crops" are also introduced under measure 214 to contribute to the new challenges of biodiversity conservation and water management, The target for the area under measures effecting water quality was also increased by 38,000 ha to 313,000 ha, plus the target for the area to avoid climate change and improve soil fertility was increased by 45,000 ha to a total of 300,000 ha.

The newly-introduced measure 215 "Animal welfare payments" will contribute both to the restructuring of the dairy sector and to animal welfare objectives. Measure 215 aims to support 3,700 farm holdings and 190,000 GVEs. The increase of the total EU contribution for measure 214 guarantees that the targets of the measure will be met (also with increased premiums).

**Axis 2 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €515,705,790<sup>3</sup>**



Following the 2010 RDP amendments, the total budget amount for axis 2 was increased to €515,705,790. This includes an increased EAFRD contribution for measure 214 of €55,283,737 (from the CAP Health Check and European Economic Recovery Package) plus €1,970,729 resulting from Commission Decision C(2008)8370 and a correction of the distribution of the existing modulation money to the German *Länder*.

A total of €19,354,040 EAFRD contribution from the CAP Health Check and European Economic Recovery Package is allocated to the new measure 215.

In addition, €6.7 million EAFRD contribution is transferred from measure 214 to measure 121 (increasing of the public contribution for measure 121 by approximately €27 million); €16

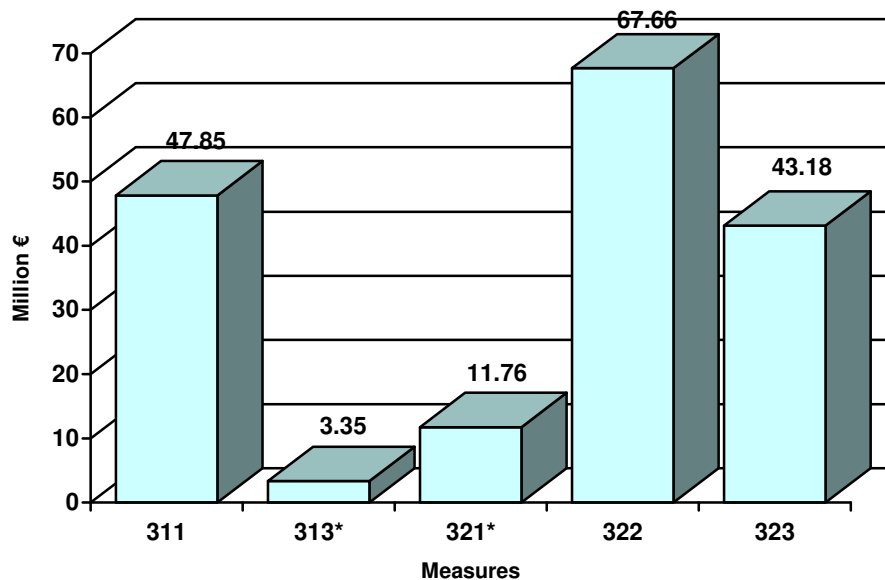
million EAFRD contribution is transferred from measure 214 to measure 212 (increasing the public contribution for measure 212 by approximately € 35.7 million), and; €750,000 EAFRD contribution (approximately €1.7 million public contribution) is transferred from measure 224 to measure 213.

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

Rural areas in North Rhein-Westphalia are characterized by small town/rural settlement patterns. Most of them provide attractive residential locations and have been characterised by positive economic developments in recent years. The RDP of North Rhein-Westphalia therefore has no specific approach to quality of life issues, but defines a number of well-founded measures which are locally anchored and largely carried out by civic engagements. These are most visible in measure 322 (Village renewal and development) which aims to support 2,000 projects benefitting 600,000 people, securing 400-500 jobs and creating 200-300 new jobs. Measure 311 (Diversification into non-agricultural activities) plays a special role in the creation of additional income and employment opportunities as well as in the safeguarding of existing jobs.

Other axis 3 measures include measure 323 (Conservation and upgrading of rural heritage) which also contributes to the protection of resources and of the cultural landscape, and measure 321 (Basic services for the economy and rural population).

**Axis 3 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €173,794,955<sup>4</sup>**



**Axis 4 objectives: Leader**

Rural areas in North Rhein-Westphalia are very diverse depending on the location and distance from urban areas, natural conditions, cultural characteristics and economic

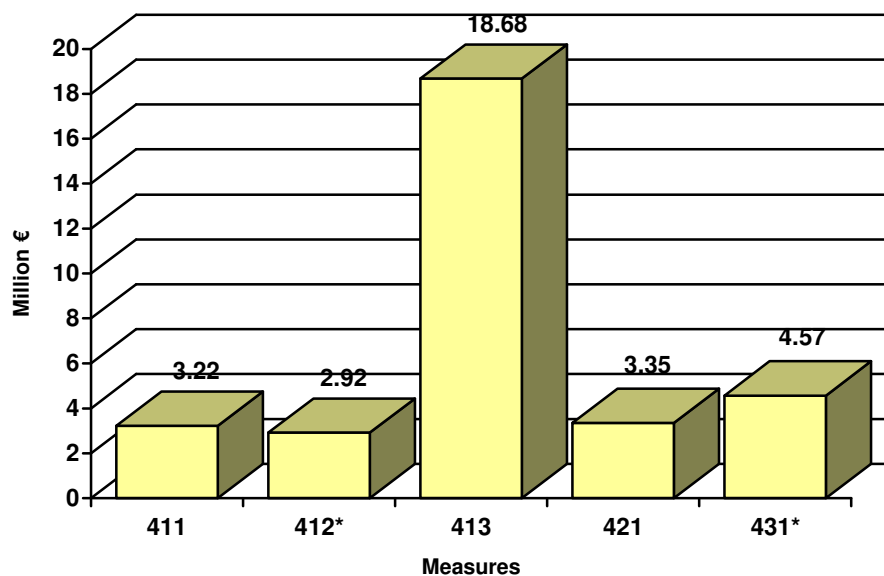
potentials. Development should therefore be based on specific regional perspectives and there is a strong commitment to helping Local Action Groups (LAGs) “unfold” the creativity and ideas of local people in order to secure their ownership of, and commitment to, local development.

Leader in Nordrhein-Westfalen is expected to provide a basic framework for promoting the endogenous potential of the region, for motivating capacity-building on a regional scale and for “pooling” a number of separate development approaches. All this aims to eliminate possible obstacles for development and to strengthen rural areas as economic, living and recreational places for settlement and business - as well as securing the natural environment for living, biodiversity and heritage of nature and culture.

Leader measures in North Rhein-Westphalia are linked to the implementation of axes 1, 2 and 3.

The number of LAGs operational in the RDP area as of March 2010 was 11.

***Axis 4 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €32,742,816<sup>5</sup>***



No modifications were made to axis 4 during the 2010 RDP update.

### **Monitoring and evaluation strategy**

The Nordrhein-Westfalen Ministry of Environment and Conservation, Agriculture and Consumer Protection (MUNLV) is responsible for administering appropriate monitoring and evaluation of the RDP in accordance with EU regulations. The CMEF guidelines have been used to define common indicators for the RDP measures in question. In addition, there are programme specific indicators for most measures based on quantified outcomes and impacts defined at the start of the RDP. These indicators will be the basis for evaluating the progress, efficiency and impact of the RDP.



All necessary data will be provided by the Managing Authority and other authorities who are entrusted with implementation of the RDP. MUNLV will co-ordinate data collection and it will be professionally checked by specialist units. Completeness and consistency will be examined in a “programme co-ordination unit” who will also aggregate data and add general statistics as appropriate.

## **Communication and publicity**

The North Rhein-Westphalia RDP strategy for communication and publicity is in line with the EC regulations 1698/2005/EC, art. 75. This includes a specific plan for its implementation in regard to time-scale, measures and target groups. The strategy aims to make the RDP and its measures and impacts more transparent and publicly-known in order to promote further dialogue between the different actors and potential beneficiaries.

A number of possible communication media are outlined in the strategy, as well as the definition of beneficiaries’ obligations regarding communication/publicity about their projects etc. These communication/publicity obligations must be given special attention by beneficiaries receiving RDP funding, although the nature of the obligations will depend upon the size of the support they have received.

All relevant authorities must also clearly communicate the role of EU in the implementation of the RDP measures, including the mentioning of specific funding.

## Annex I – Measures

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