

Rural Development Programme (RDP) of Denmark

**Det danske landdistriktsprogram
2007-2013 – November 2008**

(Danish Rural Development Programme 2007-2013)¹

Relevant Contact Details

Managing Authority Website:

<http://www.landdistrikter.dk>

Other useful links:

Rural Development Programme (RDP):

http://enrd.ec.europa.eu/country-information/programming/en/programming_home_en.cfm

National Strategy Plan (NSP):

http://ferv.fvm.dk/Landdistrikter_2008.aspx?ID=39082

National Rural Network (NRN):

<http://www.landdistriktsprogram.dk/Netv%C3%A6rk.aspx?ID=35761>



Map of Denmark

(© European Commission)

General socio-economic situation in rural areas in Denmark

Although urban areas have been growing steadily, the RDP notes that agricultural land makes up around 60% of the total land area with approximately 45,000 agricultural holdings managing 2.6 million ha of cultivated land. In addition, woodland covers 14% of the land area of Denmark and is regarded to be in a good state of health. In terms of open natural habitats, the total land area covers roughly 345,000 ha. Denmark's population stands at 5.4 million people out of which 53% reside in rural areas.

RDP baseline data indicates that 5% of the working population is employed in agriculture or food industry, but levels of employment declined by 19% or about 35,000 jobs during the decade preceding the RDP. Agricultural incomes have also been largely constant over a number of years and there are wide variations in earnings capacity between farms. Exports of agricultural products including specialised food products have grown more slowly than other exports but in 2005 they still accounted for around 17% of total Danish goods exports. Globalisation therefore represents a principal opportunity for the sector to sell a larger number of products to larger markets. Moreover, given the consequences of intensive production, natural habitats have experienced a reduction of animal and plant species and despite improvements the use of pesticides and fertilisers continue to have a negative impact. In order to reduce greenhouse gases, new infrastructure investments are required. Rural communities continue to experience negative social trends when compared to urban areas such as depopulation. In addition, the share of the working age population in rural areas is lower than in towns and cities and the proportion of elderly people is higher which is creating further demand for local services. The number of persons in rural areas with higher level educational qualifications is also much lower and certain rural areas have low levels of innovative enterprises.

¹ The text of this version of the programme has been revised in April 2010

RDP strategic objectives

The overall aim of Denmark's RDP is to promote sustainable development in rural areas which is expressed through the four axes of the programme. A key objective is to support the creation of more entrepreneurs and local jobs in rural areas by for example, strengthening the food sector in order to produce more regional, local, organic and value-added foods. Greater competitiveness in the agricultural, food and forestry sectors will also be targeted by encouraging the introduction of innovative practices such as stronger coherence between research and investments. Varied landscapes, rich nature and a clean environment will be promoted and safeguarded by supporting environmentally sustainable production techniques and other practices. Finally, attractive living conditions and a good quality of life in rural areas, which contribute to strong cohesiveness between countryside and town, will be supported through local forms of cooperation and contributions that will be driven and guided by Local Action Groups (LAGs).

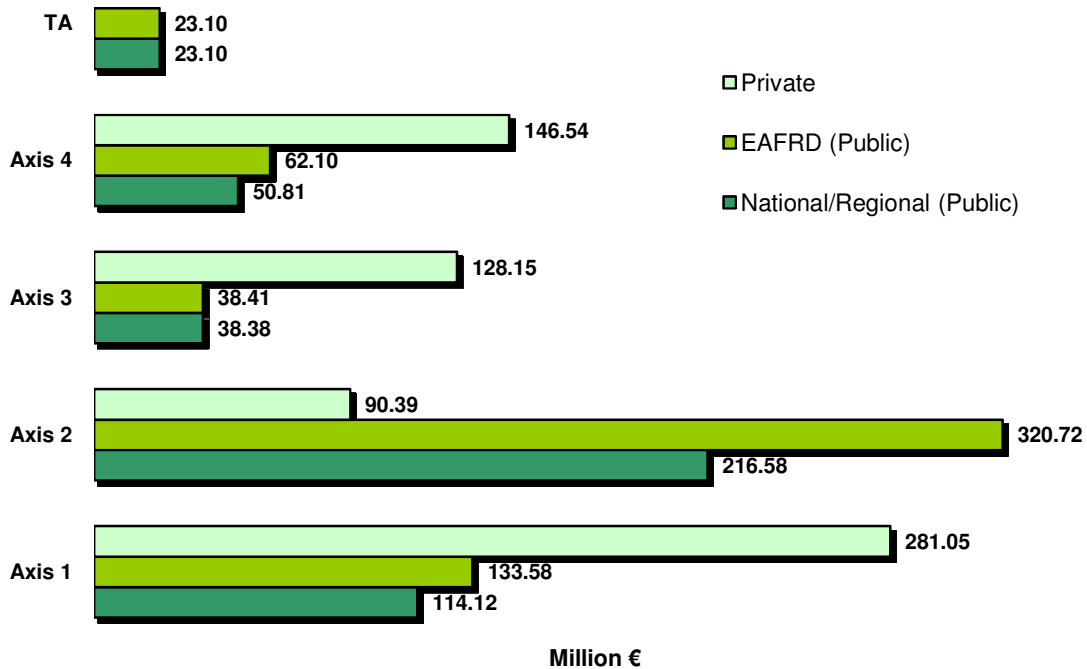
Following the CAP Health Check, and European Economic Recovery Package (EERP), the RDP was revised in 2009 with new funds to reinforce work involved with improving water management (which received 49% of the additional funding), conserving biodiversity (27%), tackling climate change (18%) and renewable energy (6%).(No additional funds were deemed necessary for investment in broadband or dairy sector restructuring).

Expected impact / outcomes of the policies

For the agricultural, forestry and food industries, it is expected that the implementation of the RDP will lead to an exploitation of international markets, which will be supported by the introduction of innovation practices and product development. Combined with further industry diversification, this will lead to greater earning potential and job creation. Industries will also have increased their contribution to the quality of the environment, and environmentally and sustainable production methods will be promoted through various projects. At a local level, niche products along with local jobs will be promoted and will be supported by tailored initiatives, and organic farming will be strengthened. Local solidarity and cooperation will enable the LAGs to ensure that the relevant measures will have a significant impact in terms of enhancing living standards and services. Opportunities will be promoted to encourage young well-educated people to move to rural areas, and distance learning and teleworking in the public and private sectors will be encouraged.

Modifications were made in 2009 to the RDP output-indicator targets which included increased targets for introducing environmental technologies (measure 121); organic farming production (measure 214); restoring, managing and establishing wetlands (measure 214); restoration of natural hydrological conditions and converting farmland into permanent pasture (measure 214); periodical flooding of farmland (measure 216); and setting up of management plans for Natura 2000 in order to re-establish hydrological conditions and convert farmland into permanent pasture (measure 323) . Detailed information on output-indicator targets for individual measures are provided in the RDP indicator tables.

RDP budget breakdown by axis: Total expenditure (including national + EAFRD + private funding) of €1,667,041,940



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 31.7% of the updated RDP budget in Denmark is allocated to axis 1 (€ 528.75 million); Approximately 37.7% is allocated to axis 2 (€627.71 million), 12.3% to axis 3 (€ 204.94 million) and 15.6% to axis 4 (€ 259.42 million), with 2.7% available to fund Technical Assistance (€ 46.2 million).

Within axis 1, National public funding represents approximately 21.8% share of the axis funding; EAFRD 25.2%; and private funds 53%.

Within axis 2, National public funding represents approximately 34.5% share of the axis funding; EAFRD 51.1%; and private funds 14.4%.

Within axis 3, National public funding represents approximately 18.7% share of the axis funding; EAFRD 18.7% and private funds 62.6%.

Within axis 4, National public funding represents approximately 19.6% share of the axis funding; EAFRD 23.9%; and private funds 56.5%.

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

As a consequence of the CAP Health Check and EERP, Denmark's RDP was allocated an additional €165,010,667 (including €123,758,000 EAFRD and a further €41,252,667 national public funds) to

reinforce existing actions in Denmark supporting rural areas to improve water management, conserve biodiversity, address climate change and make the most of renewable energy.

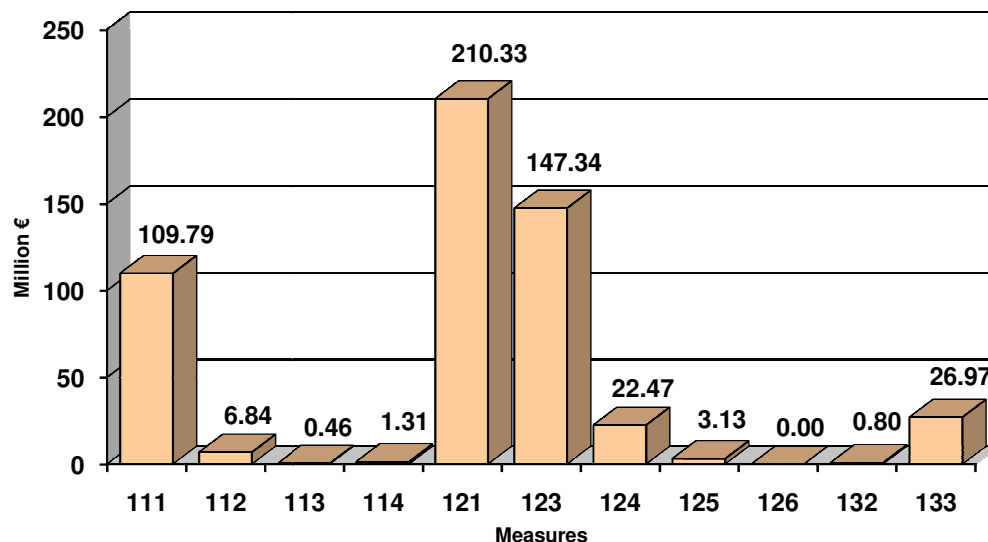
Axis Information

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

The main emphasis in Denmark's strategy under axis 1 is to boost competitiveness in the agricultural, forestry and food sectors by developing and investing in innovative solutions, which convert new ideas into value. The emphasis in this axis in financial terms is therefore on physical investments and application of new knowledge. Innovation activities are to focus on creating new and better foods of high quality, including organic food production. This includes investments in better animal welfare, as well as on the development and application of new environmentally friendly technologies. This also encompasses non-food production investments, primarily aimed at increasing the supply of sustainable energy sources. The initiatives under axis 1 are thus in line with the globalisation strategy of the Danish government which aims to pursue the long-term competitiveness of the food, agriculture and forestry industries. The result and output-indicator targets that are being used to assess the measures within this axis include measure 111 (800 demonstrations delivered in relation to vocational training and information actions); measure 121 (130 holdings introduction new products or techniques in relation to modernisation of agricultural holdings); measure 123 (50 holdings supported in relation to adding value to agricultural and forestry products)

Specific modifications to the axis 1 results indicators were made in 2009 to take account of RDP amendments following the Health Check and EERP. This entails measure 121 (840 holdings receiving support for investments in environmental technology in relation to climate change, renewable energies, manure and slurry storage and treatment, energy and water consumption efficiency, and water quality and biodiversity). For further information on specific output-indicators targets please refer to the impact indicators table in the RDP programme.

Axis 1 budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €528,749,359



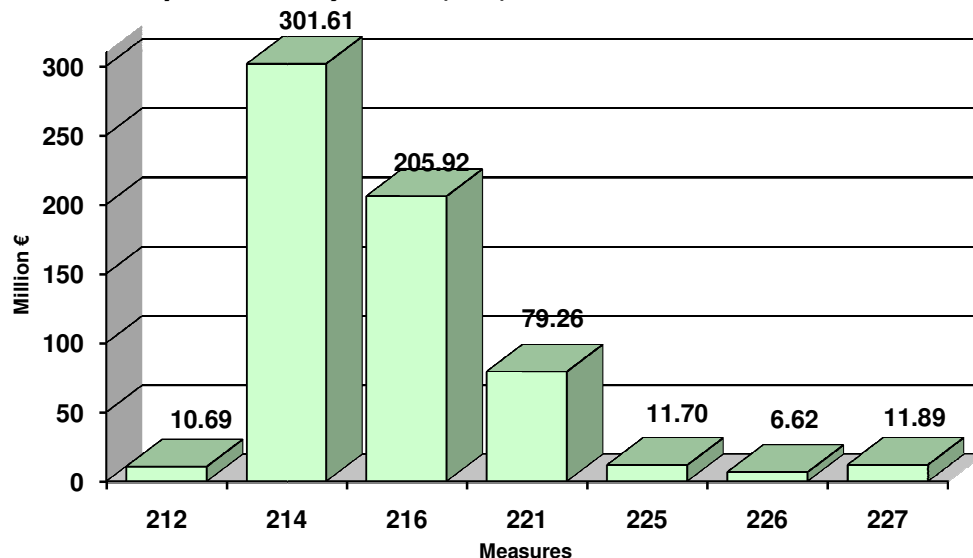
Following the 2009 RDP update, the total budget amount for axis 1 is €528.74 million, which includes an additional €38.92 million (€29.19 million EAFRD + €9.73 million national public) that is targeted at improving investments in environmental technologies under measure 121.

Axis 2 objectives: Improving the environment and the countryside

The rationale behind axis 2 is primarily a combination of two activities. Firstly, the environment and landscape will be improved via implementation of the Aquatic Environment Plan III initiative for the establishment of wetland areas and set-aside land in border strips next to lakes and watercourses. Secondly, objectives relating to multifunctional agriculture and forestry will be pursued, including the promotion of organic farming. The two initiatives, will contribute to compliance with the commitments under the Natura 2000 Directive and the Water Framework Directive. In the light of the nature and environment-related challenges expected to result from implementation of the Water Framework Directive and the Natura 2000 directives, a more project-oriented approach will be adopted to fulfil the nature and environment goals in geographically defined areas. Through preservation and development of nature-friendly methods of agriculture and forestry, the initiatives under axis 2 will also contribute to meeting Denmark's commitments in relation to the preservation of biological diversity and the aims of the Kyoto Protocol to limit climate change.

The result and output-indicator targets that are being used to assess the measures within this axis include measure 214 (400 farms support for set aside border strips under agri-environment payments); measure 216 (150 farms supported in relation to non-productive investments for establishment of wetlands and restoration of hydrological conditions); measure 221 (700 beneficiaries supported for first afforestation of agricultural land) measure 214 (1070 holdings supported for conversion to agricultural organic production).

Axis 2 budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €627,710,262



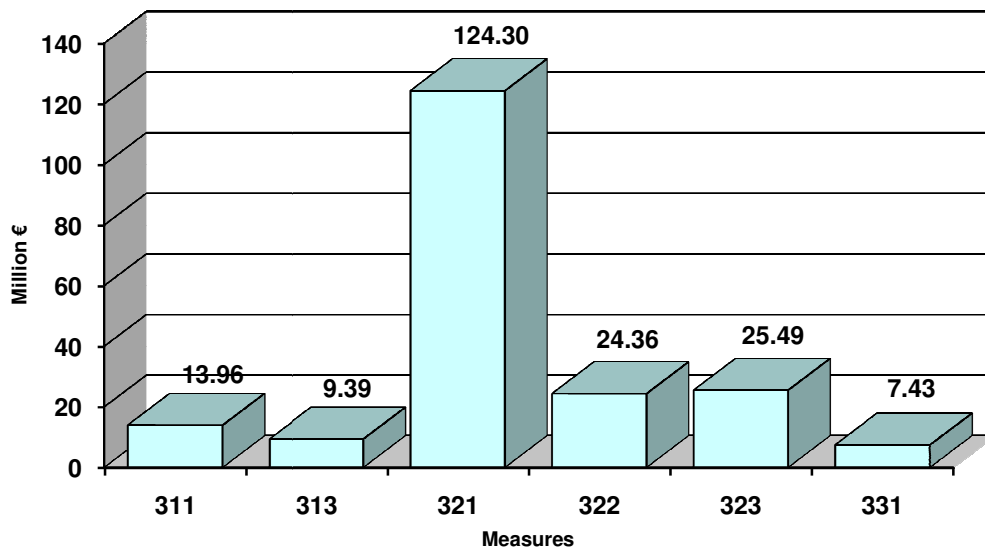
Following the 2009 RDP update, the total budget amount for axis 2 is €627.71 million, which includes an additional €126.02 million (€94.51 million EAFRD + €31.51 million national public) that is targeted at improving environmental support measure 214 and 216.

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

The objectives for the activities under axis 3 are primarily related to maintaining or creating increased employment and attractive living conditions for the population in rural areas. The axis is equally divided between targeted initiatives to create jobs and more general measures that improve living conditions in rural areas. This includes support to business, employment and the housing situation particularly on the islands and in the other peripheral municipalities. The initiative to increase the number of jobs focuses on lending support to entrepreneurs in rural areas such as farmers who diversify their activities, new entrepreneurs who set up on the basis of new ideas or tourism activities. In addition, the axis focuses on improving the quality of life in rural areas by for example creating more cultural facilities, easing access to communication technology, creating service facilities and providing better opportunities to utilise nature in rural areas. The initiatives under axis 3 will principally be implemented using the Leader approach.

Axis 3 targets were revised to reflect the CAP Health Check's additional support under measure 323 in relation to conservation and upgrading of rural heritage plans for Natura2000. This support is specifically targeted at projects which result in conversion of agricultural land to natural land. The output indicator - targets for this measure 10 actions that will be supported.

Axis 3 budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €204,939,986



Following the 2009 RDP update, the total budget amount for axis 3 is €204.93 million, which includes an additional €0.06million (€0.04 million EAFRD + €0.02 million national public) that is targeted at improving environmental support under measure 323.

Axis 4 objectives: Leader

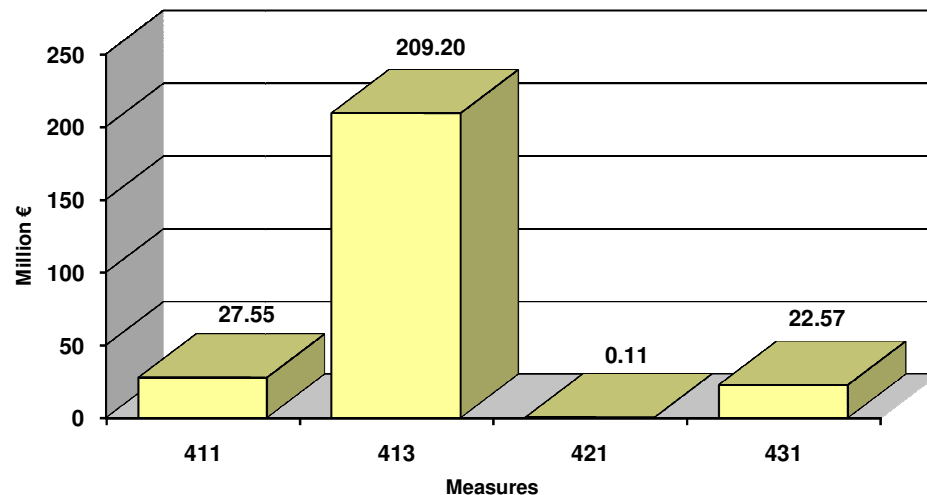
Under axis 4 the main objective is to pursue and deliver local development strategies – namely increasing employment, providing attractive living conditions and improving the countryside and environment through the Leader approach. The principle of Leader is to ensure a high level of local influence by establishing LAGs which will be composed of relevant local rural actors from government, industry and representative groups. The LAGs will then designate financial and

advisory support to specific projects funded by the RDP. The LAGs will devise development strategies in close cooperation with other regional and local strategies and plans. The close coordination of policies and strategies will be ensured by involving municipal councils and growth forums in connection with the LAGs in the preparation of local development strategies.

The number of LAGs operational in the RDP areas as of March 2010 was 51.

There were no modifications in relation to axis 4 following the 2009 RDP update.

Axis 4 budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €259,422,284



Monitoring and evaluation strategy

A Monitoring and Evaluation Committee has been established to create, deliver and manage a monitoring and evaluation system for the RDP which is composed of representatives from government and other key interest groups. In line with the Common Monitoring and Evaluation Framework, the evaluation system measures the RDP's progress, effectiveness and impact in relation to the RDP's objectives and targets. The Ministry of Food, Agriculture and Fisheries (DFFE), which is a member of the Monitoring and Evaluation Committee, is responsible for delivering ongoing evaluation reports to analyse the RDP's progress, quality of implementation, recommendations for RDP amendments and mid-term and ex post evaluations. The DFE has developed a system of data collection from the monitoring indicators. Information for the indicators is collected in three ways:

- Funding applications are specifically designed to collect precise information from each applicant in relation to each specific measure;
- Project debriefing meetings will gather information at the end of each project; and
- Mid-term and ex post evaluations will be conducted by independent evaluators.

Communication and publicity

The objectives of the RDP communication strategy are to increase awareness of the programme's objectives and opportunities, generate interest and commitment from relevant actors, provide details on best practice and sharing knowledge, demonstrate the EU's involvement and the

effectiveness of investment in rural areas, place the RDP at the heart of the future of the debate on rural areas, and guarantee the understanding, acceptance and involvement of local organisations. A principal element of the communication strategy is to ensure that relevant target groups are focused on for the key activities. These include inhabitants of rural areas, farmers, enterprises, industry and sector organisations, environmental organisations, tourism bodies, employee groups, consumer and retail sector organisations, municipalities and authorities, and press, public and politicians. Communication will be delivered through various means but will include websites, direct mailings, press, brochures, regional and local stakeholder meetings, ongoing cooperation with relevant groups, e-bulletins and advertising.

Annex I – Measures

Measures selected by the RDP	Measures selected by the updated RDP
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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
		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 local action group, skills acquisition, animation