

Rural Development Programme (RDP) of Slovenia

**Program razvoja podeželja (PRP 2007 - 2013)
– 18.2.2007¹**

(Rural Development Programme RDP 2007-2013)

Relevant Contact Details

Managing Authority Website:

<http://www.mkgp.gov.si/>

Other useful links:

Rural Development Programme (RDP):

http://www.mkgp.gov.si/fileadmin/mkqp.gov.si/pag_euploads/Breda/PRP/RDP2007-2013.pdf

National Strategy Plan (NSP):

http://www.mkgp.gov.si/fileadmin/mkqp.gov.si/pag_euploads/Breda/PRP/nsp_draft-June07_en_clean_01.pdf

National Rural Network (NRN):

http://www.mkgp.gov.si/si/delovna_podrocja/program_razvoja_podezelja_2007_2013/vsebina_programa_razvoja_podezelja/mreza_za_podezelje/



Map of Slovenia

(© European Commission)

General socio-economic situation in rural areas in Slovenia

Slovenia is a relatively small European country (20,273 km²) and is recognised as having a unique natural heritage given that it is characterised by relief diversity, rich nature systems, plains, mountains, valleys and basins. The population of Slovenia is 2 million and given that the population density is 98 inhabitants per square kilometre, it is a relatively sparsely populated Member State. RDP baseline figures showed that 60% of the population live on less than 20% of the surface namely in the valleys and basins whilst the population density is much more sparse in the hilly areas. In rural areas, the demographic structure is posing certain challenges given that it holds a larger share of older citizens and many young people have left to find opportunities elsewhere. However, in the rural areas close to urban centres, population increases have been registered, whilst for more peripheral regions there are negative demographic trends and even abandonment.

Agriculture, forestry and food industries are facing restructuring processes. Low productivity remains the key problem for the agriculture sector and is linked to issues such as the land holding structure, low education rates and low labour intensity, consequently GVA and employment share are declining in rural areas. However, there are opportunities for expansion into EU and local markets and there is a strong potential for organic production. The food processing industry is technologically well developed and the RDP states that it contributed in 2005 to 2.0% of GVA. Enterprises in recent years have placed great efforts to adopt EU standards and now have strong quality control systems. However, investment capacity has been relatively weak and there is a lack of network cooperation and marketing. The forestry sector plays an important role in the economy and for nature protection, and wood supply is increasing. Yet a lot of the potential in the forestry industry remains untapped and labour performance and infrastructure is poor. The environment is well preserved and has a favourable species and habitat status which is supported by a sound

¹ Latest updated RDP, following the adoption of the Health Check and European Economic Recovery Package

infrastructure for sustainable farming and forest management. However, there is potential for environmental hazards as a result of intensive farming and there is potential soil erosion in certain areas. In rural communities, there are established local development partnerships, active NGOs, integration of rural enterprises as well as a strong craft tradition. However, diversified income sources are limited and there is a lack of entrepreneurial activity.

RDP strategic objectives

The priorities, measures and activities of the RDP 2007-2013 focus on striking a balance and developing synergies between enhancing the competitiveness of the agriculture, food and forestry industry, environmental protection and the conservation of natural landscape, as well as the improvement of the quality of life in rural areas and the promotion of diversification. By helping rural areas to accomplish their potential as an attractive place for business, employment and living and by adapting these activities to seeking environmental progress, the rural development policy will ultimately deliver sustainable rural development. Central to this goal, will be a focus on investments in human resources, agricultural holdings, innovation, young farmers and product development as well as delivering new methods of environmental services and protection in the agricultural and forestry sector and creation of more and better jobs in rural areas. To encourage such innovation and entrepreneurship, initiatives will be delivered at a local level through the Leader method.

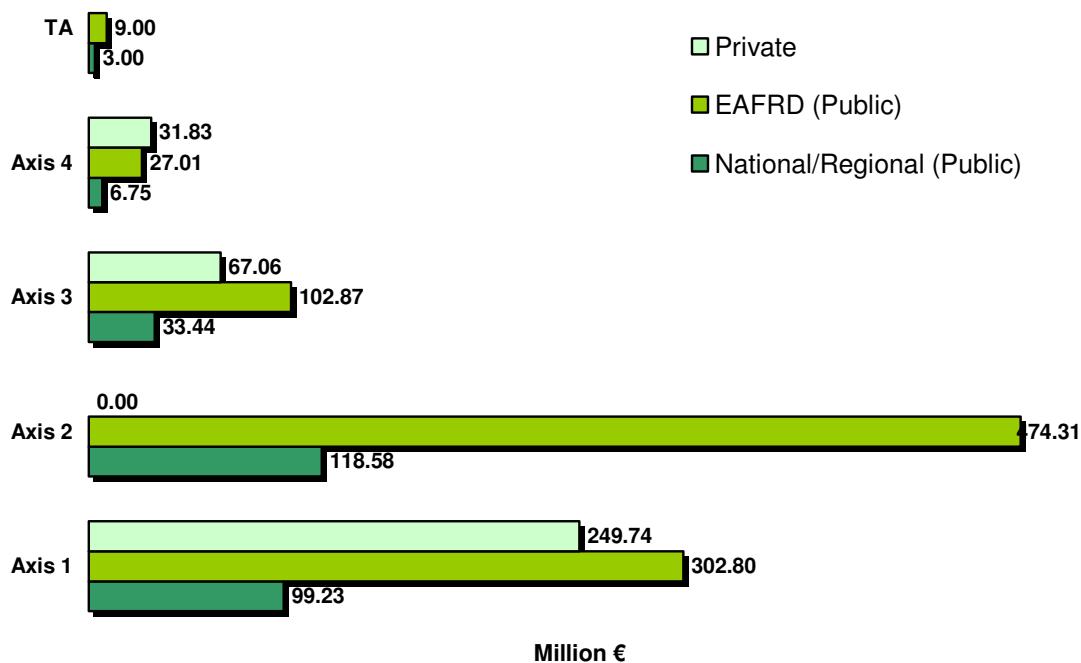
In recognition of the greater emphasis now being given to the 'new challenges' facing agriculture and rural areas, the RDP was revised in 2009 to take account of additional financing provided by the European Economic Recovery Package (EERP). This reinforced RDP efforts in activity such as tackling climate change, promoting renewable energy, water management and dairy (which between them received 67% of the additional funds), as well as providing support for broadband Internet infrastructure (33%).

Expected impact / outcomes of the policies

RDP implementation is expected to have a positive impact on the agrifood and forestry sectors, rural communities and the environment. Young farmers will have been supported and vocational training activities will have contributed to professionalising the industry. Individuals will be better organised and supported to improve their living conditions and new enterprises and other forms of diversification such as eco-tourism will be realised leading to higher growth and increased employment. The development of new products and modernisation of agricultural holdings and infrastructure will have contributed to increased competitiveness and productivity. The implementation of environmentally friendly agricultural practices will have contributed to limiting adverse environmental and soil erosion effects, organic farms will be supported and less favoured areas will maintain environmental standards in more economically challenging areas. The introduction of the Leader approach will have enhanced local development potential leading to strengthened capacity for improving the quality of life in rural areas.

Following the 2009 RDP modification, output targets increased regarding investments aimed at: improving the efficiency of nitrogen fertiliser use and improving manure storage; investments in preventative mechanisms against adverse effects of climate related extreme events; investments in biogas production using organic waste; investments in water saving technologies, storage and production techniques; and investments support related to dairy production (measure 121). Targets were also revised upwards to help: create and enable better access to broadband infrastructure; upgrade existing broadband infrastructure; and lay down passive broadband infrastructure (measure 321).

RDP budget breakdown by axis: Total expenditure (including national + EAFRD + private funding) of €1,525,618,124



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 42.72% of the overall RDP budget (including private expenditure) in Slovenia is allocated to axis 1 (€651.76 million); approximately 38.86% is allocated to axis 2 (€592.89 million), 13.33% to axis 3 (€ 203.37 million) and 4.3% to axis 4 (€65.59 million), with more than 0.07% available to fund Technical Assistance (€ 12.0 million).

Within axis 1, National public funding represents approximately 15.22% share of the axis funding; EAFRD 46.46%; and private funds 38.32%.

Within axis 2, National public funding represents approximately 20% share of the axis funding; EAFRD 80%; and private funds 0%.

Within axis 3, National public funding represents approximately 16.44% share of the axis funding; EAFRD 50.58% and private funds 38%.

Within axis 4, National public funding represents approximately 32.98% share of the axis funding; EAFRD 41%; and private funds 31%.

Within technical assistance, National public funding represents approximately 25% share of the

technical assistance funding and EAFRD 75%.

As a consequence of the 2009 amendment, Slovenia's RDP received an additional €12,806,667 (including €11,526,000 of EAFRD and a further €1,280,667 of national public funds). These funds are being used to reinforce existing development actions in rural areas supporting climate change, renewable energies, water management and the dairy sector (measure 121), as well as expansion of rural broadband infrastructure coverage (measure 321).

Axis Information²

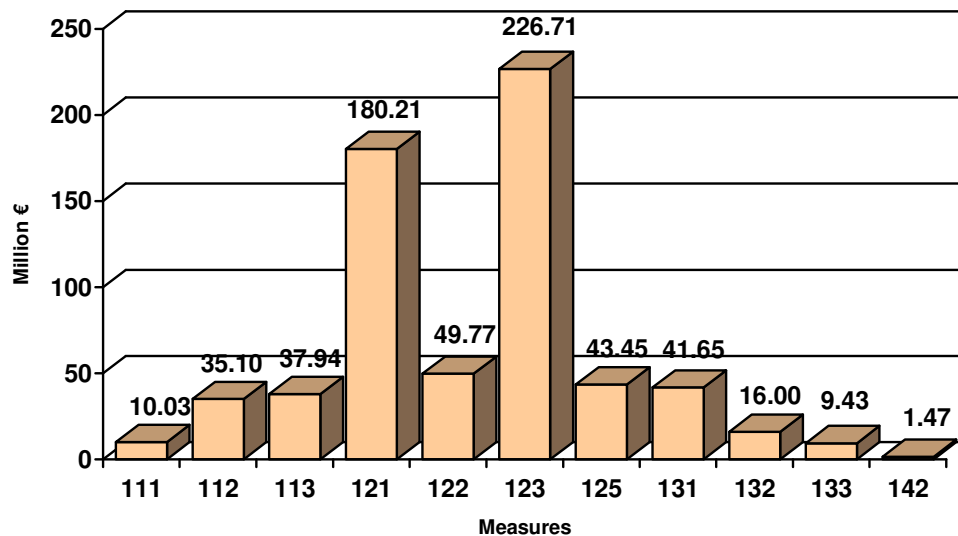
Axis 1 objectives: Improving the competitiveness of the agricultural and forestry sector

The measures and activities under this axis are aimed at increasing the labour productivity and competitiveness in agriculture and forestry sector. This will be achieved by: raising the qualification level for engagement in agriculture as well as contributing to value added agriculture and forestry production; enhancing agricultural investments aimed at improving the restructuring of agricultural holdings and food processing establishments; enhancing investments on holdings managing private forests and for wood processing; raising the qualification for engagement in forestry and increasing organised supply of wood assortments to increase the economic potential of forests and make the adaptation to the market requirements easier, particularly in the light of the needs for energy from renewable resources; animating producers to participate in quality schemes and increase the production and sale of higher quality products. The quantitative and qualitative results targets which are used to assess the measures of axis 1 include: 490 holdings introducing new production measures or techniques (measure 121); 450 food establishments supported for investments in processing and marketing (measure 123).

Changes to the RDP indicator targets were introduced following the 2009 amendment and these include: for measure 121, increased targets for investments aimed at improving the efficiency of nitrogen fertiliser use and improving manure storage (28 holdings); investments in preventative mechanisms against adverse effects of climate related extreme events (120 holdings); investments in biogas production using organic waste (4 holdings); investments in water saving technologies, storage and production techniques (10 holdings); and investments support related to dairy production (10 holdings).

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

Axis 1 budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €651,760,333³



Following the 2009 RDP update, the total axis 1 budget is €651,760,333, which includes an additional €8,537,778 (€7,684,000 EAFRD + €853,778 national public) that is targeted at measure 121 for investments aimed at improving the efficiency of nitrogen fertiliser use and improving manure storage, preventative mechanisms against adverse effects of climate related extreme events, biogas production using organic waste, water saving technologies, storage and production techniques and dairy production.

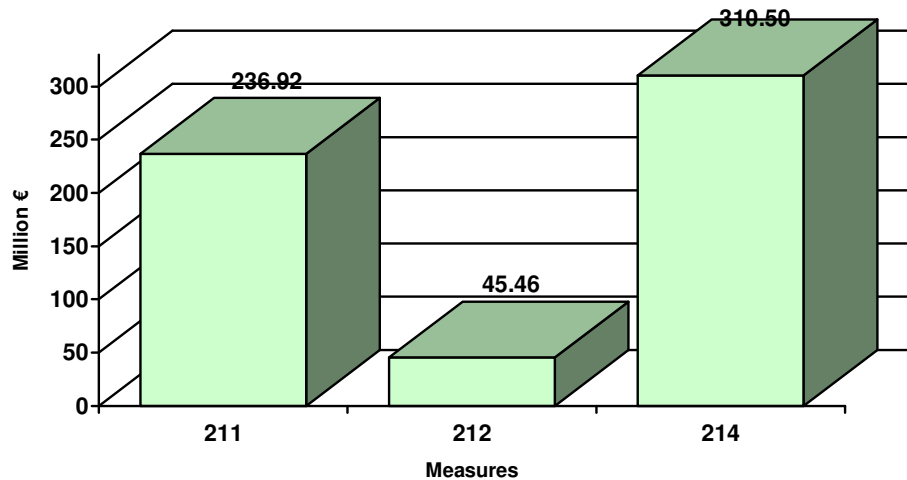
Axis 2 objectives: Improving the environment and the countryside

For axis 2, the first priority is the implementation of activities which maintain and enhance environmental standards and the adoption of technologies that contribute to the reduction of the negative environmental impacts on soil water, air and biodiversity. Central to this is the conservation of utilised agricultural areas, particularly in areas unsuitable for intensive farming and where additional sources of income need to be provided by way of compensatory allowances for farmers. The second priority under this axis is the further introduction of sustainable farming practices which have a long-term positive impact on the environment. The measures under axis 2 are therefore aimed at the conservation and improvement of the environment, biodiversity and cultural landscape and thus directly contribute to preserving high nature value areas. The quantitative and qualitative results targets which are used to assess the measures of axis 2 include: 84,000 ha on which the Less Favoured Area measure is implemented within Natura 2000 sites (measure 211 and 212); and 300,000 ha under successful land management contributing to biodiversity (measure 211 and 212).

There were no modifications in relation to axis 2 targets or budget following the 2009 RDP update.

³ Please note that for measures 111, 112, 113, 125, 131, 132 and 142 no private spending has been allocated.

Axis 2 budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €592,890,844⁴



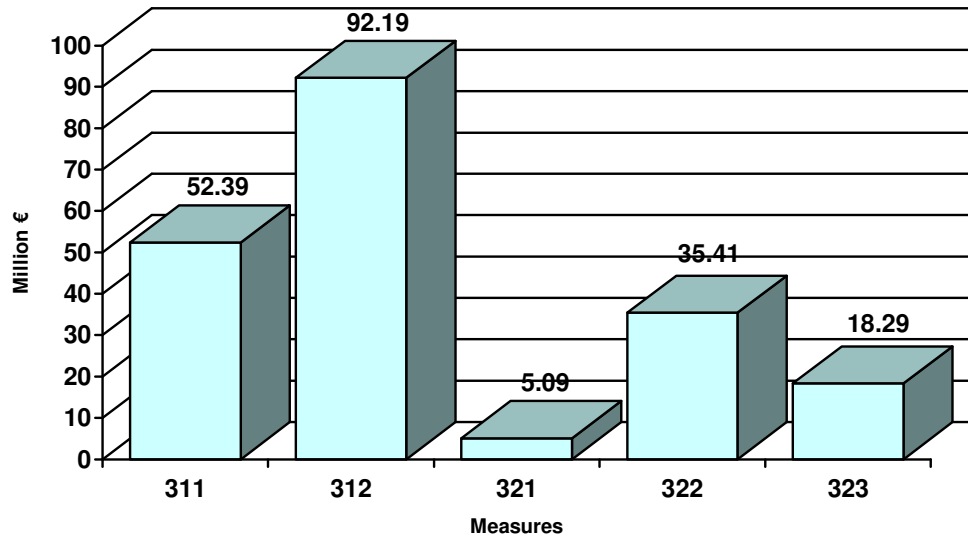
Axis 3 objectives: Quality of life in rural areas and diversification of the rural economy

The objectives of this axis are aimed at enhancing the employment and job creation potential in non-agricultural and agriculture related activities and by developing the infrastructure of rural settlements and their cultural heritage. The goal is that this will lead to the further enhancement of rural areas, and thus raise the extent of diversification, income levels and the living standards of rural communities. Support is therefore aimed at ensuring the initiation or modernisation of performing non-agricultural activities and thus at creating new jobs and additional source of income on farms as well as contributing to the improvement of local social and economic conditions. Importantly, new business ideas will be developed in tandem with developing village infrastructure and rural heritage to enhance the quality of life and tourism potential. The quantitative and qualitative results targets which are used to assess the measures of axis 3 include: 2,000 jobs created in supported enterprises (measure 312); and 20,000 rural inhabitants enjoying improved rural services (measure 311).

Support provided by the EERP in 2009 led to an additional emphasis on rural broadband projects under measure 321, which was accompanied by an increase in the axis 3 budget.

⁴ For measures 211, 212 and 214 no private spending has been allocated.

Axis 3 budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €203,372,523⁵



The axis 3 budget now totals €203,372,523 and this includes an additional €4,268,889 from the EERP for measure 321 (€3,842,000 EAFRD + €426,889 national public) which will provide support for enhanced broadband infrastructure.

Axis 4 objectives: Leader

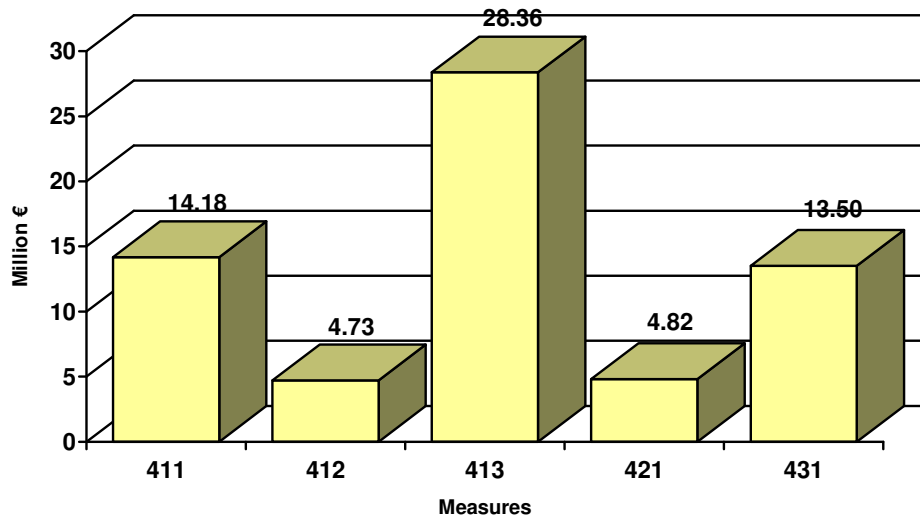
The Leader initiative and its measures are aimed at encouraging local decision-making on the development of individual rural areas. This will be delivered through a bottom-up approach to implementing local development strategies formulated by Local Action Groups (LAGs) which are composed of relevant local stakeholders. The measures shall contribute to the accomplishment of the general objective under axis 4, i.e. building local capacities and simultaneously towards the achievement of the objectives under axes 1, 2 and particularly axis 3. The rationale is that by establishing LAGs and implementing strategies through them, initiatives will have greater impact in the predefined locality and will generate greater ownership and sustainability as result of the inherent partnership principle. This will then lead to greater innovation and cooperation within subsequent activities. The quantitative and qualitative results targets which are used to assess the measures of axis 4 include: 650 projects covered by LAGs (measure 41); 250 supported training actions (measure 431).

Number of LAGs envisaged in the RDP areas as of March 2010 was 30.

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

⁵ For measure 321 no private spending has been allocated.

Axis 4 budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €65,590,867



Monitoring and evaluation strategy

Responsibility for managing the RDP's monitoring and evaluation strategy is undertaken by the Monitoring Committee which is chaired by the Managing Authority (Ministry of Agriculture Forestry and Food) and is composed of various stakeholders including social partners, organisations representing environmental interests and other governmental bodies. The Managing Authority takes responsibility for the ongoing evaluation of the programme which assesses its implementation, achievements and long-term impacts against specified indicators in line with the European Commission's Common Monitoring and Evaluation Framework (CMEF). In addition, programme specific indicators are used to assess progress in areas which are not covered by CMEF. The Managing Authority produces an Annual Report that illustrates RDP progress against its objectives and extent of financial implementation amongst other things. This enables the Monitoring Committee to suggest any necessary changes or amendments to the programme. The Managing Authority is also responsible for the management of mid and ex post evaluations.

Communication and publicity

The Managing Authority has put in place a communication plan to ensure that all target groups are fully aware of the opportunities that the RDP will provide. The relevant target groups include agricultural holdings, the food processing industry, the forestry industry, local communities, companies, institutes and NGOs. The communication plan aims to ensure that through general awareness, the absorption of EU funds will increase and at the same time the level of trust between beneficiaries and authorities will be enhanced as a result of clearer understanding of programme activities. During the preparation of the programme, several workshops and seminars were organised informing the public on funding guidelines. During the implementation of the programme, a number of communication channels have been utilised to continue to illustrate funding opportunities and examples of best practice. Communication tools include websites, e-forums, information offices, press conferences, media appearances and printed materials.

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
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	