

Rural Development Programme (RDP) of Lithuania

Kaimo plėtros 2007–2013 metų programa – Rural Development Programme for Lithuania 2007-2013)¹

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Managing Authority Website:
<http://www.zum.lt/>

Other useful links:

Rural Development Programme (RDP):
http://www.zum.lt/min/index.cfm?fuseaction=displayHTML&file=File_202.cfm&langparam=EN

National Strategy Plan (NSP):
<http://www.zum.lt/lt/zemes-ukio-ministerija/kaimo-pletra/parama-pagal-2007-2013-m--programos-priemones/kaimo-pletros-2007---2013-metu-programa-ir-strategija/>

Lithuanian National Rural Network (NRN):
<http://www.kaimotinklas.lt/>



Map of Lithuania
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General socio-economic situation in rural areas in Lithuania

According to the RDP, Lithuania has a land area of 65,300 km², and is roughly the size of Ireland. 97.4% of the total area of Lithuania is categorised as rural (the remaining areas are urban territories or urban-type settlements) and contains 33.4% of the total population. The rural population is ageing and one-fourth of rural residents is above 60 years-old.

In rural areas the employment rate (and in particular the youth unemployment rate) is lower than in urban areas and the RDP shows that this figure is continuing to decrease. As a result of the reduced labour opportunities (mainly non-agricultural jobs), the average disposable income of rural households is 24.7% lower than urban ones.

The agriculture and forestry sector accounts for an important part of the national economy, and the food industry has experienced export increases. The sector is also favoured by low land and labour costs as well as good natural conditions for the dairy and livestock sector. Yet there is poor agricultural infrastructure, weak farm structures, very fragmented land ownership and low investment in new technology. Many farms and small scale processing units do not meet EU requirements and there are inadequate professional skills among farmers, private forestry and the wider rural population. In addition, to foster sustainable growth, opportunities need to be

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

better exploited in relation to organic farming, rural tourism, forestry and innovation development.

In terms of the rural environment, fertile land resources are available, with low levels of contamination and a high level of biodiversity. Yet in areas where intensive farming exists, fertilisers and pesticides have caused environmental damage and there are large areas of abandoned land that poses a threat to biodiversity. In addition, forestry management does not incorporate sustainable practices and water quality is insufficient. Most of the High Nature Value Areas are situated within rural areas and its preservation depends on the level and methods of human activities within these localities.

Lithuania's cultural heritage today consists of about 10 thousand artefacts which have the status of either cultural monuments or incorporating cultural values. Yet there are limited rural tourism activities and low levels of SME development. Leader-type initiatives are insufficient and there is a lack of financial resources to run local organisations. In addition, local services, housing and infrastructure are quite poor and require further investment.

RDP strategic objectives

The RDP Strategic Objectives stem from the National Strategic Plan for Rural development of Lithuania. The main goals of the RDP are:

- To improve the competitiveness of the agricultural and forestry sectors;
- To improve the environment and the countryside;
- To improve the quality of life in rural areas and encouraging diversification of economic activity.

Taking into account the additional financing provided by the CAP Health Check and The European Economic Recovery Package, greater strategic priority will target 'new challenges', as outlined in the revised 2009 RDP, which will provide additional support for initiatives that contribute to renewable energies (which received 1.94% of the new RDP funds) restructuring of the dairy sector (78.06%) and broadband (20%).

Expected impact / outcomes of the policies

The successful implementation of the RDP will lead to a number of beneficial economic, environmental and community impacts for Lithuania. As a result of the investments for the agriculture, food and forestry industries, the physical potential within the sectors will be enhanced through the promotion of innovations, modernisation of holdings and infrastructure, creation of new value added products, improving farm structure, productivity and food quality, and support for processing. This will also be supported by strengthened human capital which will have benefited from initiatives in relation to vocational training, advisory services, information actions and young farmers' start-up. Because of the emphasis on these areas, the wider rural economy will benefit from improved competitiveness, growth and creation of new jobs.

The environment will have also been improved, as the work in this area will lead to enhanced

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

³ Please note that for measures 111, 112, 113, 132, and 141 no private spending has been allocated.

⁴ For measures 212, 213, 214, 224 and 225 no private spending has been allocated.

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⁶ For measures 421 and 431 no private spending has been allocated.

responsibility for the condition of the countryside and rural heritage. For example, the levels of agricultural pollution will be reduced and biodiversity will be improved by ensuring that farming activities meet and introduce sound environmental standards. The growth of the organic farming sector is also expected to reduce the environmental impact on the soil and water. Afforestation will also provide a much greater 'carbon sink' as well as preventing soil erosion.

The Leader approach is anticipated to strengthen local self-organisation and provide opportunities to develop local communities. This will in turn lead to an increase in the number of job opportunities outside of the agriculture sector through strategies to develop the local tourism sector and SMEs. Projects to improve local infrastructure (roads, water supply, internet, sewage treatment) will also have been implemented and local services will have received support to further develop.

Following the RDP amendments in 2009, modifications for some measures have been made to output-indicator targets to reflect the increased emphasis on 'new challenges'. These include targets relating to measure 121 (30 farm holdings supported in relation to investment support related to dairy production); measure 123 (1 micro or small and 1 medium sized enterprises, both in food industry, supported in relation to improvements in processing and marketing related to dairy); measures 321 combined with measure 322 and 323 (one supported action in relation to creation of and enabling access to broadband infrastructure including backhaul facilities and ground equipment). Detailed information on impact indicators for individual measures is provided in the RDP indicator tables.

RDP budget breakdown by axis: Total expenditure (including national + EAFRD + private funding) of €3,145,885,773



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 47% of the updated RDP budget in Lithuania is allocated to axis 1 (€1488.34 million); approximately 27% is allocated to axis 2 (€864.79 million), 17% to axis 3 (€526.21 million) and 6% to axis 4 (€173.57 million), with 3% available to fund Technical Assistance (€92.98 million).

Within axis 1, National public funding represents approximately 16% share of the axis funding; EAFRD 48%; and private funds 36%.

Within axis 2, National public funding represents approximately 19% share of the axis funding; EAFRD 76%; and private funds 5%.

Within axis 3, National public funding represents approximately 13% share of the axis funding; EAFRD 40% and private funds 47%.

Within axis 4, National public funding represents approximately 16% share of the axis funding; EAFRD 63%; and private funds 21%.

Within technical assistance, National public funding represents approximately 25% share of the technical assistance funding and EAFRD 75%.

As a consequence of the 2009 RDP amendments, Lithuania has been allocated a total of €24,926,667 (including €22,434,000 EAFRD and a further €2,492,667 national public funds) which is targeted at initiatives for 'new challenges' including renewable energies, restructuring of the dairy sector and expansion of broadband.

Axis Information²

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

Overall Objective: To develop modern and competitive agri-food and forestry sectors.

Sub-Objectives:

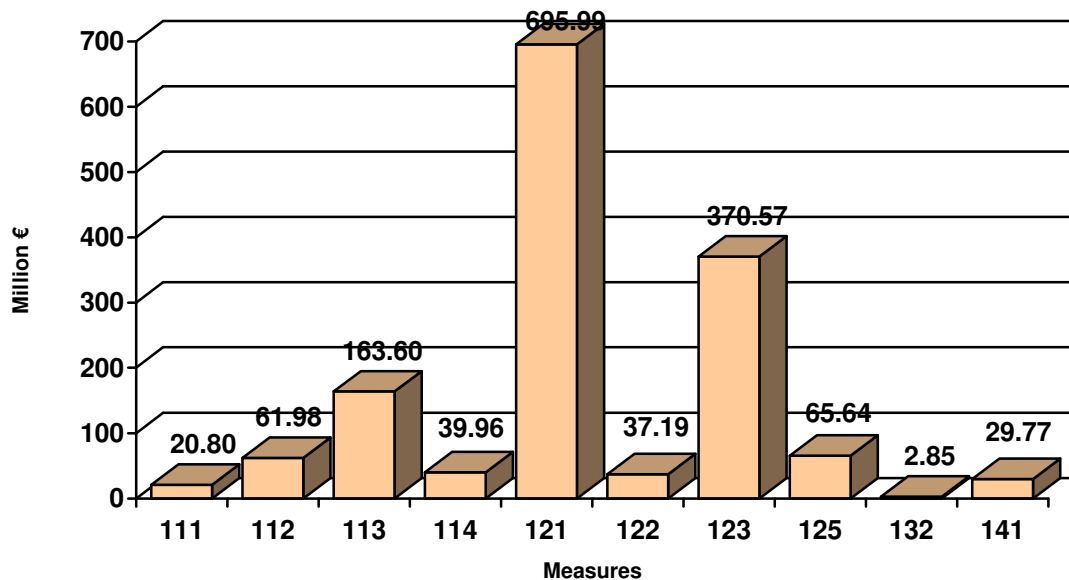
- To improve the structure of farms and forest holdings;
- To improve the level of modernisation, technology and innovation;
- To strength the human capital of rural areas.

The result indicator targets which are being used to assess the key measures within this axis include measure 121 (180 holdings introducing new products or new techniques in relation to modernisation of agricultural holdings); and measure 123 (27 companies supported in relation to making new products or applying new manufacturing methods in relation to processing of agricultural products and increasing of added value).

Specific modifications to output indicators have been made to take account of the 2009 amendments to the RDP. Modifications to overall RDP output-indicator targets are outlined in the sections below but includes measure 121 (30 farm holdings supported in relation to investment support related to dairy production); measure 121 (3 beneficiaries supported in

relation to perennial energy crops); measure 123 (1 micro or small and 1 medium sized enterprises, both in food industry, supported in relation to improvements in processing and marketing related to dairy). For further information on output-indicator targets please refer to the impact indicators table in the RDP programme.

Axis 1 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €1,488,335,474³



Following the RDP latest update, the total budget amount for axis 1 is €1,488,355,474 including an additional €19,941,111 (€17,947,000 EAFRD + €1,994,111 national public funds) that is targeted at actions including those as outlined above.

Axis 2 objectives: Improving the environment and the countryside

Overall Objective: To improve the environment and landscape and to prevent the decline of biodiversity through the rational use of land resources and promotion of sustainable development of agriculture and forestry.

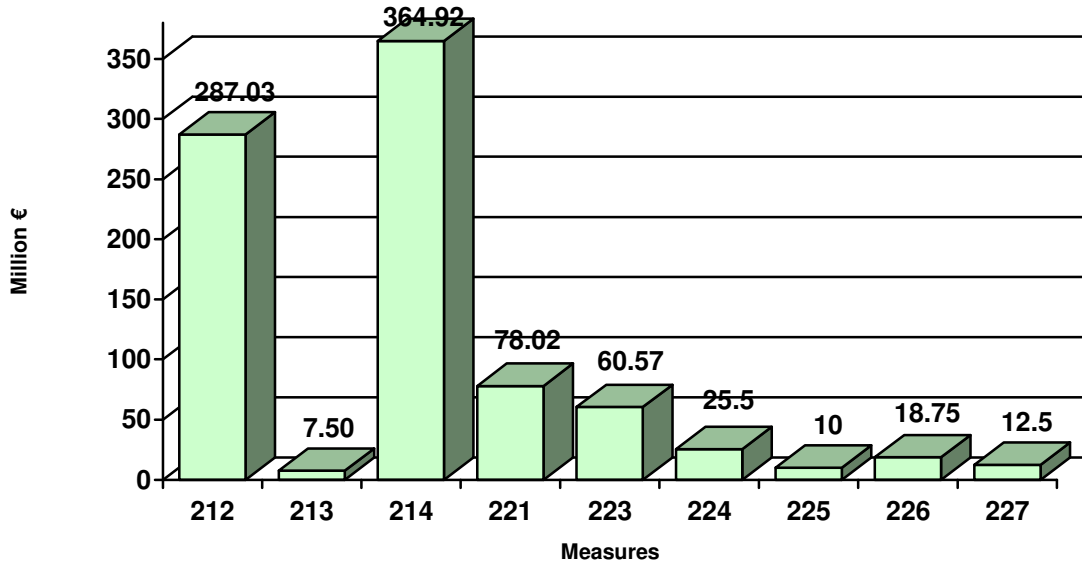
Sub-Objectives:

- To promote environment-friendly farming practices;
- To mitigate the effects of climate change;
- To preserve the biodiversity and the development of high nature value and traditional agrarian areas.

The result and output indicator targets which are being used to assess the key measures within this axis include measure 214 (60,000 projects delivered under the land stewardship scheme relating to agri-environment payments); and measure 212 (110,000 ha supported for improvements to biodiversity in relation payments to farmers with handicaps other than mountain areas).

No modifications were made to axis 2 during the 2009 RDP update.

Axis 2 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €864,790,256⁴



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

Overall Objective: to improve the quality of life and increase the employment of rural population in rural areas.

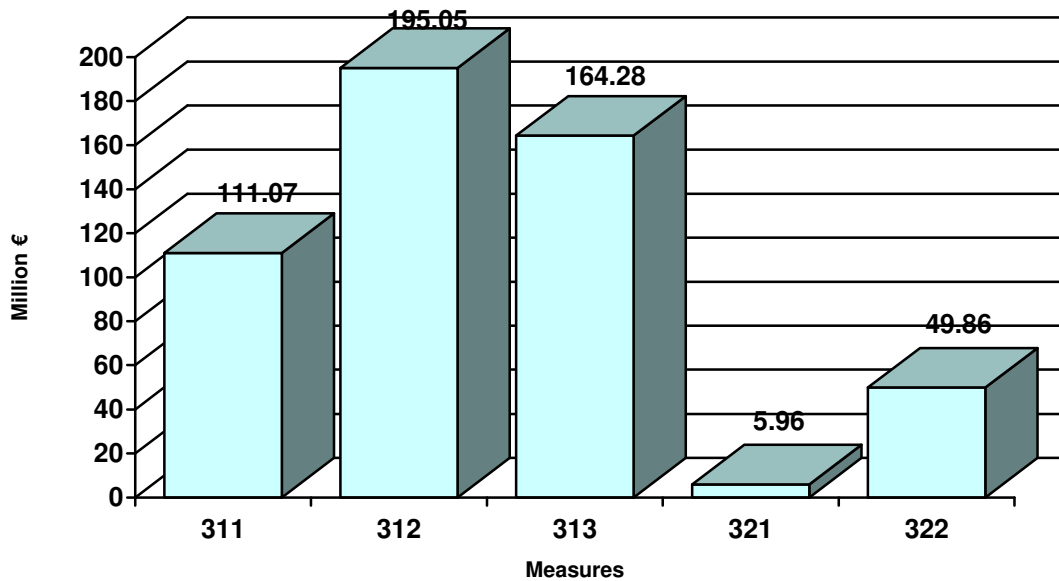
Sub-Objectives:

- To create alternative jobs and income sources;
- To improve the social and physical infrastructure, protection and enhancement of rural heritage.

The result indicator targets which are being used to assess the measures within this axis include measure 312 (3500 new jobs in relation to business creation and development in rural areas); and 313 (4000 new jobs in relation to encouragement of rural tourism activities)..

Specific modifications to output indicators have been made to take account of the 2009 amendments to the RDP. Modifications to overall RDP output-indicator targets include measure 321 combined with measures 322 and 323 (one supported action in relation to creation of and enabling access to broadband infrastructure including backhaul facilities and ground equipment).

Axis 3 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €526,213,540⁵



Following the RDP latest update, the total budget amount for axis 3 is €526,213,540 including an additional €4,985,556 (€4,487,000 EAFRD + €498,556 national public funds) that is targeted at actions including those as outlined above.

Axis 4 objectives: Leader

Overall Objective: to promote rural development through local initiatives and partnerships.

Sub-Objective:

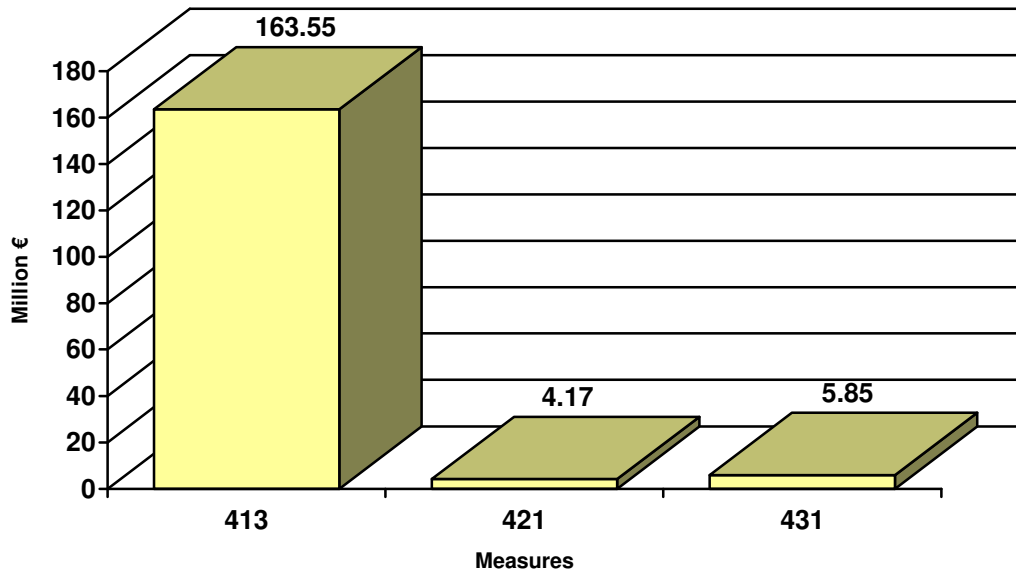
- To promote local initiatives, cooperation and the development of human capacities in order to develop and successfully implement local development strategies.

The result indicator targets which are being used to assess the key measures within this axis include measure 413 (2000 new jobs created in relation to implementation of local development strategies); and measure 431 (1000 persons successfully trained in relation to support for running local action groups, acquiring of skills and animating the territory).

The number of LAGs operational in the RDP area as of March 2010 was 50.

No modifications were made to axis 4 during the 2009 RDP update.

Axis 4 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €173,567,303⁶



Monitoring and evaluation strategy

The Managing Authority (the Ministry of Agriculture) and the Monitoring Committee share the responsibility for the implementation and development of the monitoring and evaluation system. This system is compliant with the EU common monitoring and evaluation framework (CMEF). As with the ex-ante evaluation, the mid-term and ex-post evaluations will be undertaken by independent evaluators.

On-going monitoring and evaluation shall be made mainly through progress reports which are submitted to the European Commission on an annual basis. These reports will contain detailed financial information reading RDP payments to beneficiaries as well as quantitative information connected to the result and output indicator targets.

Evaluation information will be collected from information systems managed by the National Payment Agency. This information will be gathered from beneficiaries' application forms, reports and questionnaires, as well as from the data published by the National Department of Statistics.

The Ministry of Agriculture and National Payment Agency will be responsible for the control of the measures within the RDP and will conduct on-the-spot checks to ensure that the financial support meets the eligibility criteria and to verify the effectiveness of their implementation.

Communication and publicity

The main objectives of the publicity and communication plan of the RDP are:

- To disseminate towards the public and rural stakeholders the goals and targets of the RDP and to support the publicity of individual measures in order to guarantee the transparency

of EU support;

- inform the public about the role of the EU and to foster a positive attitude towards RDP implementation and its benefits for agriculture, rural development and society.

The target groups include actual and potential beneficiaries (agricultural primary producers, food producers, rural inhabitants), the general public, the mass media, central, regional and local authorities, social and economic partners and other target groups (local action groups, community leaders, local government representatives, politicians, information centres in Europe, institution representing EU in Lithuania, etc).

The information actions that will be used include:

- Official announcements and calls for application disseminated by the Ministry and the National Paying Agency (NPA);
- Websites of the Ministry and the NPA;
- Information and training events, seminars, conferences, meetings, press conferences, etc;
- Meetings between administrative institutions and (potential) beneficiaries;
- Information activities via the Lithuanian Rural Network;
- Printed material (brochures, leaflets, information bulletins, the RDP measures' administration rules and other legal acts, books, posters, etc);
- Verbal and written consultations, audio and visual material, etc.

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
	<i>Quality of agricultural production and products</i>	126	Restoring agricultural production potential
		131	Meeting standards based on Community legislation
		132	Participation of farmers in food quality schemes
	<i>Transitional measures</i>	133	Information and promotion activities
141		Semi-subsistence farming	
142		Producer groups	
Axis 2 - Improving the environment and the countryside	<i>Sustainable use of agricultural land</i>	143	Providing farm advisory and extension services
		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
	<i>Sustainable use of forestry land</i>	216	Non-productive investments
		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
Axis 4 - Leader	<i>Implementing local development strategies</i>	341	Skills-acquisition and animation measure with a view to preparing and implementing a local development strategy
		411	Competitiveness
		412	Environment/land management
		413	Quality of life/diversification
		421	Implementing cooperation projects
431	Running the local action group, skills acquisition, animation		