



The Danish RDP strategy for support to investments WS: Investment support

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The Danish RDP 2014-2020



The European Agricultural Fund for Rural Development:
Europe investing in rural areas



Approx. 30 % of funds: Growth and competitiveness
(M01, M04, M16)



Approx. 20 % of funds: Organic farming
(M01, M04, M11, M16)



Approx. 45 % of funds: Nature, environment and climate
(M01, M04, M08, M10, M15, M16)



Approx. 5 % of funds: Local Action Groups
(M19)

LDP 2020



Total RDP funds (public expenditure):

€ 899.0M

(Pillar I transfers from 2016 onwards excluded!)





The Strategy for M04: Investments

Farm investments (4.1)

- Environmental technology (4B, 5B, 5C, 5D) and restructuring (2A)
- Investments in organic farms (P4)

Non-productive investments – agri-environment-climate (4.4)

- (P4, 5D)





The Strategy for M04: Investments

Farm investments (4.1)

Strengthening agricultural growth and competitiveness providing grants to investments in technologies that

- diminish the impact on the environment, climate and nature
- improve animal welfare
- increase agricultural productivity
- develop organic farming practices

Energy efficiency, ammonia emissions, CO₂, nitrogen, employment, productivity, ...





The Strategy for M04: Investments

Non-productive investments – agri-environment-climate (4.4)

Maintaining nature in agricultural land, protecting the water environment, restoring and protecting biodiversity – voluntary commitments implementing WFD, Natura 2000 directives.

- establishment of wetlands (nitrogen, phosphor)
- low-lying soil projects (nitrogen, CO₂)
- biodiversity enhancing projects in Natura 2000 areas
- landscape and biotope enhancing planting
- Protecting endangered species





Funds for M04 (total public expenditure)

Farm investments (submeasure 4.1): **€ 229.6M**

- FA 2A: € 110.3M
- P4: € 67.4M (of which € 24.1M targeted organic farms)
- P5: € 51.9M (of which 5B: €8.7M, 5C: €19.0M, 5D: €24.2M)

Non-productive investments (submeasure 4.4): **€ 120.7M**

- P4: € 119.0M
- P5D: € 1.7M

Total funds M04 **€ 386.7M**

= 43 % of total RDP: **€ 899.0M**

(Pillar I transfers from 2016 onwards excluded!)





Implementation...



Principles

- Prioritise cost-efficient operations that have the greatest relevant impact – ensure value for money
- Reduce administrative costs
- Simplification and digitalisation of administrative procedures
- A manageable number of operations with simple conditions
- Simple application procedures – avoid errors



Principles in practice



How to (1)

- A few standard schemes with limited variation – e.g. (roughly) 2 kinds for M04 employed for several types of operations:
 - Farm investment support
 - Nature projects
- Complete lists of eligible technologies etc. for each call:
 - Technologies decided and approved by relevant research institution
 - Documented outcomes

Paves the way for digitalisation and standardisation of administrative procedures.



How to (2)

- Relevant selection criteria and point systems are important tools for ensuring value for money, e.g.
 - Price per kg reduction (ammonia, nitrogen emissions)
 - No. of ha or livestock unit affected by/benefitting from investment
 - Minimum points for eligibility
- Simple, relevant eligibility criteria
- Minimum thresholds and limited number of eligible costs.
- Continuity across time and calls – familiarity by beneficiaries – decreasing errors.



How to (3)

- Simplified cost options (SCO)
 - The investment/output should be known in advance – for instance for investments projects
 - Many projects of the same kind (outweigh initial costs of implementing SCOs)
 - Comparable costs from project to project
 - The output has to be easy to control

SCOs expectedly to be used in the Danish RDP (2016-) for

- Stables – unit costs pr. m² etc.
- Stonewalls (protection of Annex IV species) – unit cost
- Hedges – unit cost per m



Difficulties...





... may still be there.

We are not there yet!

- Rules and regulations that cannot be simplified
- One size does often not fit all – consequences for beneficiaries
- Standardised operations inflexible
- Difficult predicting and designing schemes in one shot
- Correcting inappropriate aspects vs. keeping continuity
- SCO: all new. Documentation requirements? Unclear audit approach





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Ministry of Food, Agriculture
and Fisheries of Denmark



Thank you for your attention!

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