



## Factsheet on 2014-2020 Rural Development Programme for Slovakia

The Slovak Rural Development Programme (RDP) was formally adopted by the European Commission 13 February, 2015, outlining Slovakia's priorities for using EUR 2,1 billion of public money that is available for the 7 year period 2014-2020 (EUR 1 559 million from the EU budget and EUR 539 million of national funding).

The programme is mainly focused on the increase of competitiveness of agriculture and forestry sectors (aiming to support investments on 1 250 farms and 400 food enterprises), whilst ensuring the appropriate management of natural resources and encouraging climate friendly farming practices, with around 20% of agricultural land managed to protect biodiversity, soil and/or water resources. The RDP also aims to boost the whole rural economy creating 2 200 jobs through investments in enterprises, including innovative cooperation projects, infrastructure and human resources via training, advisory services and local services to the population, including integration of marginalized communities.

Support for Rural Development is the 2<sup>nd</sup> Pillar of the Common Agricultural Policy, providing Member States with an envelope of EU funding to manage nationally or regionally under multi-annual, co-funded programmes. In total, 118 programmes are foreseen in all 28 Member States. The new RD Regulation for the period 2014-2020 addresses six economic, environmental and social priorities, and programmes contain clear targets setting out what is to be achieved. Moreover, in order to coordinate actions better and maximise synergies with the other European Structural & Investment Funds (ESIF), a Partnership Agreement has been agreed with each Member State highlighting its broad strategy for EU-funded structural investment.

This document provides a brief overview of how the challenges and opportunities faced by Slovakia are addressed by the RDP. In the annex, a table indicates the priorities and focus areas each with their specific targets, and their allocated budget.

### 1. SITUATION AND KEY CHALLENGES

The Slovak Republic spreads over an area of 49 036 km<sup>2</sup> of which around 48% is agricultural land and 40% is covered by forests. Agricultural land is composed of around 71 % arable soils and 28% permanent grassland; 65% of agricultural land is classified as affected by natural constraints limiting its production potential. Slovakia has 5,4 million inhabitants, of which 88% live in the predominantly rural and intermediate regions which cover 95% of the Slovak territory.

Slovakian agriculture is characterized by a dual farm structure, with a high proportion (80%) of small farms up to EUR 15 000 of standard output, and a small number of large farms (1 180) with standard output higher than EUR 250 000. All together, the agricultural production is characterized by low added value of primary agricultural production mostly oriented to cereals and oilseeds production. Although the Slovakian agriculture and food industry are able to produce high quality products, increasing exports of raw primary agricultural production and imports of finalized food products result in only 65% of domestic production being processed in Slovakia. Labour productivity in agriculture and in the food industry is very low, respectively 46% and 39% of the EU average. The continuous decrease of employees in agriculture ranks Slovakia among the countries with the lowest share of agricultural workers from total employees (half the EU average). The high forest

coverage in Slovakia (40%) makes forestry an important sector in the rural economy, although the forest roads network needs substantial investments. The forestry sector is also concentrated on primary production rather than further processing and highly depends on the turnover (80%) from timber harvesting.

The Slovakian countryside with its mountainous and sub-mountainous areas and lowlands and different climatic conditions is rich in biodiversity. The highly extensive agriculture leads in some areas to land abandonment and loss of grassland biotopes, 69% of which are not sufficiently managed. 20% of the agricultural area is of high nature value while NATURA2000 areas cover 16% of agricultural land and 46% of forests.

The unemployment rate in rural areas is 17%, much higher than the EU average, going even beyond 20% in several districts and many municipalities. Youth unemployment is also very high (39%). The marginalized Roma communities are mostly located in rural areas, where the offer of job opportunities is persistently low. Redressing the unfavourable situation will require investments in infrastructure, in diversification of the rural economy and in increasing human capital.

## 2. HOW THE SLOVAK RDP WILL ADDRESS THESE CHALLENGES

Slovakia is rich in natural and traditional heritage and natural resources which provide opportunities for more diversified agriculture, forestry and the rural economy (e.g. through rural tourism). The RDP support will promote innovative projects delivering new products, technologies, techniques or ways of working. One main objective will be to increase the competitiveness of agriculture and forestry by supporting the investments bringing the higher added-value to the primary production and increasing the efficiency of the organisation of supply chain. In this way, the agricultural diversification with particular focus on the plant specialized sectors (e.g. fruits and vegetables) and animal sectors should create more resilient and productive agriculture with new jobs and alternatives for the agricultural diversification.

A second main objective will be the protection and maintenance of high nature value of agricultural and forestry areas, targeting the sustainable use of soils and water, and thus, providing more opportunities for high quality food production and creation of rural tourism activities including diversifying products and services outside from agricultural towards a variety of economic activities in rural areas.

In addition, the RDP will improve the economic and social life conditions of rural citizens through investments in better and new infrastructural network, including the broadband infrastructure. The LEADER approach should also help in better use of local resources and to enhance the ownership of investments and cooperation of local actors in integrating economic activities for creating new jobs and improving the quality of life.

In order to multiply the investments effect, more than 6 500 persons will be trained and 25 operational groups will be supported linked to the European Innovation Partnership for agricultural productivity and sustainability.

The Slovak RDP is centred on 6 Rural Development Priorities (Priority 1 knowledge transfer and innovation is incorporated into remaining 5 priorities), with the main priority being Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry.

### Competitiveness of agri sector and sustainable forestry

Under this priority the RDP includes support to **1 250** farms (5,11% of the total) for investments in the specialized plant (excluding cereals and oilseeds) and animal sectors, while simultaneously targeting resource efficiency (water, soil, energy) and GHG emissions. The generational renewal will be enhanced by providing start-up aid support to **960** young farmers and development aid for **330** small family farms. These targets will be supported by knowledge transfer activities via vocational training, demonstration actions and research projects providing innovative solutions to increase sustainability and productivity of agriculture. The competitiveness of the forestry sector should be increased by building

and/or modernizing **250 km** of forest roads, by investing in modern technologies including processing investments in **230** forestry holdings.

Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

Around **449 food companies** will receive support for investments aimed to increase the added value of domestic production, as well as collective investments and integrated projects aimed to promote the horizontal and vertical cooperation of food chain actors.

The risk of flood damage in agriculture will be reduced by restoring and modernizing **267,5 km of hydro-melioration channels**, which will protect **22 500 ha of agricultural land**.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Under this priority the RDP will **avoid land abandonment** (1,2 million ha targeted) and promote **organic farming practices** (150 000 ha will be supported), maintaining the farming activity in areas with natural and other specific constraints to farming. **Nearly 239 150 ha of agricultural land** will be under **voluntary agri-environmental and climate-related commitments by farmers**, who will also use related training and advisory services to better deliver the environmental and climate-related benefits. The resilience of forests against natural disasters will be increased by preventive and restoration actions against fire, biotic diseases and floods.

Resource efficiency and climate

This priority will focus on **the use of renewable energy resources**, mainly by processing the waste and biomass production from agri-food sector and forestry. Additional impacts on resource efficiency and climate are expected to result from the investment projects supported under other priorities.

Social inclusion and local development in rural areas

The investments into diversification of the rural economy beyond agriculture should create **1 100 jobs** through the implementation of local development strategies and an additional **1 100 jobs** in micro and small enterprises. The broadband infrastructure investments in small municipalities should provide high-speed internet for rural citizens and local enterprises with affordable prices. Specific actions will promote the social integration of marginalized communities.

The **5 biggest RDP** measures in budgetary terms (total public funding) are:

- EUR 569 million allocated for Measure 4: Productive investments
- EUR 459 million allocated for Measure 13: Payments for areas with natural constraints and others specific constraints
- EUR 148 million allocated for Measure 6: Farm and business development
- EUR 141 million allocated for Measure 10: Agri-Environment Climate
- EUR 137 million allocated for Measure 8: Forestry

## Annex 1: Indicative public support for the Rural Development Programme in Slovakia

Focus Area and Target	Measure	€ Total public	%
<b>Priority 1: Knowledge transfer and innovation in agriculture, forestry and rural areas<sup>1</sup></b>			
<u>1A: Fostering innovation, cooperation, knowledge base</u> <b>3,18 %</b> of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
<u>1B: Strengthening links (with research, etc.)</u> <b>65</b> cooperations	16 cooperation		
<u>1C: Training</u> <b>6 425</b> participants	01 knowledge		
<b>Priority 2: Farm viability, competitiveness and sustainable forest management</b>		<b>403 910 855</b>	<b>19,24</b>
<u>2A: Economic performance, restructuring &amp; modernisation</u> <b>5,11 %</b> of holdings with RDP support	01 knowledge	5 367 000	0,26
	02 advisory	2 005 000	0,10
	04 investments	260 368 855	12,40
	06 farm development	4 950 000	0,24
	16 cooperation	20 000 000	0,95
<u>2B: Entry of skilled farmers, generation renewal</u> <b>2,45 %</b> of holdings with RDP support	01 knowledge	1 250 000	0,06
	02 advisory	320 000	0,02
	04 investments	0	0

<sup>1</sup> No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas.

	06 farm development	48 000 000	2,29
<u>2C+: Forestry performance</u> <b>230</b> forest holdings with RDP support	01 knowledge	200 000	0,01
	02 advisory	150 000	0,01
	04 investments	30 000 000	1,43
	08 forest investments	31 300 000	1,49
<b>Priority 3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management</b>		<b>401 009 000</b>	<b>19,10</b>
<u>3A: Improving competitiveness of primary producers</u> <b>0,41 %</b> of holdings with RDP support	01 knowledge	1 200 000	0,06
	02 advisory	105 000	0,01
	04 investments	224 500 000	10,69
	14 animal welfare	119 919 000	5,71
	16 cooperation	24 700 000	1,18
<u>3B: Farm risk prevention and management</u> <b>22 500 ha</b> protected against floods	01 knowledge	500 000	0,02
	02 advisory	85 000	0,004
	05 prevention	30 000 000	1,43
<b>Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry<sup>2</sup></b>		<b>875 319 000</b>	<b>41,70</b>
<u>4A: Biodiversity</u> <b>21,06 %</b> of agricultural land under contracts <b>2,65 %</b> of forestry land under contracts	01 knowledge	3 113 000	0,15
	02 advisory	1 295 000	0,06
	04 investments	45 000 000	2,14
<u>4B: Water management</u>	08 forest investments	105 700 000	5,04

<sup>2</sup> Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas.

<b>20,65 %</b> of agricultural land under contracts <b>1,18 %</b> of forestry land under contracts  <u>4C: Soil management</u> <b>20,65 %</b> of agricultural land under contracts <b>1,18 %</b> of forestry land under contracts	10 agri-environment-climate	141 863 208	6,76
	11 organic farming	102 912 792	4,90
	12 NATURA 2000 & WFD	8 780 000	0,42
	13 areas with natural constraints	459 447 000	21,89
	15 forest-environment	5 208 000	0,25
	16 cooperation	2 000 000	0,10
<b>Priority 5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors</b>		<b>18 507 535</b>	<b>0,88</b>
<u>5C: Renewable energy</u> <b>€ 27,9 M</b> total investment in renewable energy production	01 knowledge	400 000	0,02
	04 investments	10 000 000	0,48
	06 farm development	3 983 885	0,19
	16 cooperation	3 000 000	0,14
<u>5E: Carbon conservation / sequestration</u> <b>0,01 %</b> of agricultural and forest land under contracts	01 knowledge	400 000	0,02
	02 advisory	40 000	0,002
	08 forest investments	683 650	0,03
<b>Priority 6: Promoting social inclusion, poverty reduction and economic development in rural areas</b>		<b>321 397 586</b>	<b>15,31</b>
<u>6A: Diversification, SMEs and job creation</u> <b>1 100</b> jobs created in supported projects	01 knowledge	1 500 000	0,07
	06 farm development	91 261 434	4,35
	16 cooperation	3 000 000	0,14
<u>6B: Local development</u> <b>31,26 %</b> of rural population covered by local development strategies <b>3,67 %</b> of rural population benefiting from improved services/infrastructures	07 basic services	92 500 000	4,41
	19 LEADER and CLLD	105 736 152	5,04

<b>1 100</b> jobs created in supported projects			
<u>6C: ICT</u>	01 knowledge	400 000	0,02
<b>1,09 %</b> of rural population benefiting from new/improved services or infrastructures (ICT)	07 basic services	27 000 000	1,29
<b>Technical Assistance</b>		<b>79 055 720</b>	<b>3,77</b>
<b>Total public expenditure €</b>		<b>2 099 199 696</b>	<b>100</b>