



## Factsheet on 2014-2022 Rural Development Programme for Sweden

The European Commission formally adopted the Rural Development Programme (RDP) for Sweden on 26 May 2015. The latest amendment of the programme was approved by the European Commission on 14 March 2023. The programme outlines Sweden's priorities for using nearly € 4.8 billion of public money that is available for the 7-year period 2014-2022 (€ 2.4 billion from the EU budget, including € 152 million from the EU Recovery Instrument, and € 2.4 billion of national co-funding plus € 2.9 million of additional national funding top-ups).

The RDP for Sweden focuses on restoring, preserving and enhancing ecosystems related to agriculture and forestry. Over 19 % of agricultural land will come under contracts for biodiversity. Responding to the need for innovation in rural areas, Sweden implements the European Innovation Partnership and aims to create over 135 000 places on training courses. The programme is investing in local development with more than 50 % of the rural population supported by local development strategies, which is carried out by 44 Local Action Groups across the country. Almost € 500 million is devoted to broadband and nearly 36 % of the rural population can expect better access to services and infrastructure.

Support for [Rural Development](#) is the 2nd 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 implemented in the 28 Member States<sup>1</sup>. The [RD Regulation](#) for the period 2014-2020 (extended to 2022) 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, which Sweden is facing, are addressed by the RDP. In the annex, a table indicates the priorities and focus areas each with their specific targets and budgets.

### SITUATION AND KEY CHALLENGES

Sweden covers an area of 438 576 km<sup>2</sup> including lakes, of which 78 % is rural. Farmland covers some 3.1 million hectares and accounts for 8.4 % of the land area. Forests cover 68 % of the total area. In 2012, the contribution of agriculture to national GNP

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<sup>1</sup> the UK left the Union on 31st January 2020; in accordance with the Withdrawal Agreement support under Rural Development continues to apply in the UK during the 2014-2020 programming period.

was 0.4 % - below the average for the EU as a whole. Farmland in Sweden is spread unevenly throughout the country. Most of it is in the south of the country. In the four northern counties, which make up almost half of Sweden's total area, only 7 % of the area is farmland.

The number of commercial farms is decreasing and at the same time, they are growing in size. The average farm is 43 hectares in size. About half of all farmland is classified as areas with natural constraints (ANC). Forestry is one of the most important industries in Sweden and is competitive at international level. Sweden has nearly 100 000 lakes which make up almost one tenth of the area of the country.

Farming varies over the country. In the four northernmost counties livestock farms dominate and there are many small farms. In the middle of Sweden there are many large arable farms and fewer small farms. In the south, forestry, cattle and arable farming are important.

With changes in the agricultural and forestry sectors, other business opportunities in rural areas have become increasingly important in terms of employment. The rural economy is, however, still largely dependent on agriculture, forestry and related businesses. Applied research and the dissemination of the results of research to farmers and rural firms could be of vital importance in changing situations and to meet future challenges.

Within farming, profitability has varied considerably from one sector to another in the years preceding the programming period. Pig production was hit hard by low prices and high costs in 2011 and in 2012. The profitability of milk production has varied substantially. In addition, crop production faces huge difficulties. A study shows that profits in 2013 in all farm sectors were too low to create sustainable growth and employment activity.

#### **HOW SWEDEN'S RDP ADDRESSES THESE CHALLENGES**

In addressing these challenges, Sweden's RDP is funding actions under six Rural Development priorities – with a particular emphasis on priority 4: Restoring, preserving and enhancing ecosystems related agriculture and forestry. The focus of each priority is explained briefly below.

##### Knowledge transfer and innovation in agriculture, forestry and rural areas

Successful innovation systems are crucial in order to strengthen rural activities and to develop better methods to meet environmental and climate challenges. The European innovation partnership creates conditions to meet this need and in the RDP this method is focusing on strengthening competitiveness. About 7 % of RDP expenditure is devoted to innovation, cooperation and knowledge. Sweden is also targeting the creation of 640 cooperation operations and over 135 000 places in training courses. Support is also dedicated to stimulate the transfer of knowledge in order to strengthen competitiveness, and also to tackle environmental challenges. This priority will help the agricultural sector and rural businesses to incorporate the results of research and innovation into their production systems.

##### Competitiveness of agricultural sector and sustainable forestry

In order to strengthen competitiveness, focus is placed on improving farm financial performance and on facilitating the restructuring and modernization of farms in order to increase market participation and to diversify agricultural activities. Nearly 5 % of farms are targeted for support under this priority. An expected 578 young farmers will benefit from investment support, which is crucial for their business development. Measures under this priority are aimed at supporting new farmers and to simplify the process of taking over existing farms. The sector is going through structural changes and with increased

globalisation new forms of cooperation could lead to a strengthening of competitiveness and profitability.

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

Skills development and advisory services are seen as crucial in order to start small-scale farm-related production where traditional knowledge is a resource. When these small-scale producers build up knowledge, investment support can lead to the development of new businesses. Sweden is targeting almost 3.5 % of public support under the RDP to animal welfare to ensure high levels of consumer confidence in the products. Various efforts make it possible for different actors in the food chain to work together to increase the value of agricultural products and to improve the welfare of animals. Well-functioning cooperation mechanisms may promote the development of local markets, new products and the working or sharing of facilities and resources.

#### Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Various forms of skills development initiatives, are giving farmers and others who carry out environmental activities a better understanding of the rules for environmental payments, support for organic production and environmental investment. Over 19 % of agricultural land will come under contract for biodiversity, 14 % under contract for better water management and over 16 % under contract for soil management.

A number of cooperation projects will give a boost to the environmental impacts of both environmental and climate-friendly agriculture as well as environmental investments.

Support for organic production and support aimed at reduced nitrogen leaching, buffer zones and ley farming as well as environmental investments in the form of wetlands are aimed at improving water and soil management. Nearly 12 % of the total budget will be used for organic farming activities, covering over 200 000 hectares.

#### Resource efficiency and climate

In addition to promoting resource efficiency and supporting the transition to a low carbon and climate-resilient economy, energy efficiency helps to improve farm viability and competitiveness and to contribute to the creation of new jobs and other rural businesses. Pilot projects may also contribute to the development of new and efficient technologies and methods with a view to reduce the use of energy. In Sweden, the RDP will devote almost € 68 million of public and private investments in this area.

#### Social inclusion and local development in rural areas

The selected measures are contributing to efficient services and infrastructures, making it more attractive to live and work in rural areas. Efforts to preserve and develop cultural heritage as well as more opportunities for cultural and recreational activities are also a step in this direction. 44 Local Action Groups under LEADER are implementing local development strategies. The strategies will cover around 50 % of the rural population and are expected to create 700 jobs. Another 950 jobs will also be created outside agriculture under this priority. Investment in broadband infrastructure can be made more efficient and with a higher quality with the help of feasibility studies or other coordinating efforts. Sweden is estimating that 36 % of its rural population will benefit from improved services or better infrastructure through local development actions, and close to 5 % under ICT measures.

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

- € 1.11 billion allocated to Measure 10: Agri-environment-climate

- € 1.09 billion allocated to Measure 13: Payments to areas facing natural or other specific constraints
- € 596 million allocated to Measure 7: Basic services and village renewal in rural areas
- € 583 million allocated to Measure 11: Organic farming

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

<b>Target</b>	<b>Measure</b>	<b>€ Total public</b>	<b>%</b>
<b>Priority 2: Farm viability, competitiveness and sustainable forest management</b>		<b>416 468 389.00</b>	<b>8.68%</b>
2A: Economic performance, restructuring & modernisation 4.92 % of holdings with RDP support 2B: Generational renewal 0.81 % of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	17 565 564.00	0.37 %
	02 advisory	5 112 100.00	0.11 %
	04 investments	325 125 697.00	6.78%
	16 cooperation	47 824 878.00	1.00%
	06 farm / business development	20 840 150.00	0.43%
<b>Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management</b>		<b>223 241 381.00</b>	<b>4.65 %</b>
3A: Improving competitiveness of primary producers 0.93 % of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations	01 knowledge	19 188 850.00	0.40 %
	02 advisory	2 290 601.00	0.05 %
	04 investments	13 830 800.00	0.29 %
	14 animal welfare	167 101 276.00	3.48 %
	16 cooperation	20 829 854.00	0.43 %

<b>Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry<sup>2</sup></b>		<b>2 986 820 102.00</b>	<b>62.26 %</b>
4A Biodiversity 0.03 % of forest/other wooded area under contracts	01 knowledge	92 467 177.00	1.93 %
	02 advisory	43 014 348.00	0.90 %
19.18 % of agricultural land under contracts	04 investments	9 104 675.00	0.19 %
	07 basic services	36 381 448.00	0.76 %
	08 forest	15 129 732.00	0.32 %
4B Water management 13.41 % of agricultural land under contracts	10 AEC	1 105 988 193.00	23.06 %
	11 organic farming	582 966 073.00	12.15 %
4C Soil erosion and management 16.27 % of agricultural land under contracts	13 ANC	1 093 984 489.00	22.81 %
	16 cooperation	7 783 967.00	0.16 %
<b>Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors</b>		<b>51 501 835.00</b>	<b>1.07 %</b>
5C Renewable energy Total investment in renewable energy production EUR 67 819 570.00	04 investments	8 173 708.00	0.17 %
	06 farm / business development	11 528 034.00	0.24%
	16 cooperation	2 753 469.00	0.06 %
5D Reducing GHG and NH3 5.65 % of LU (Live-stock Unit) concerned by investments in live-stock management in view of reducing GHG (Green House Gas) and/or ammonia emissions	04 investments	12 861 367.00	0.27 %
	06 farm / business development	12 566 361.00	0.26 %
	16 cooperation	3 618 896.00	0.08%
<b>Priority 6: Social inclusion, poverty reduction and economic development in rural areas</b>		<b>944 645 410.00</b>	<b>19.69 %</b>
6A Diversification, creation of small enterprises and jobs	01 knowledge	16 461 651.00	0.34 %
	02 advisory	4 747 945.00	0.10 %
	04 investments	7 095 347.00	0.15 %

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

950 jobs created in supported projects	06 farm / business development	45 089 987.00	0.94 %
	16 cooperation	44 534 094.00	0.93 %
6B Fostering local development 52.50 % rural population under local development strategies 35.79 % rural population with improved services/infrastructure 700 jobs created (via LEADER)	01 knowledge	5 187 170.00	0.11 %
	02 advisory	1 152 00.00	0.02 %
	07 basic services	124 609 730.00	2.60 %
	16 cooperation	25 739 952.00	0.54 %
	19 LEADER and CLLD	232 500 000.00	4.85 %
6C Access to and quality of ICT 4.86 % of rural population benefiting from new or improved services/infrastructures (ICT)	07 basic services	435 253 172.00	9.07 %
	16 cooperation	2 281 362.00	0.05 %
<b>Technical Assistance</b>		174 427 137.00	3.64 %
<b>Total public expenditure €</b>		<b>4 797 111 254.00</b>	<b>100 %</b>