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Factsheet on the 2014-2022 Rural Development Programme for Slovenia

The Rural Development Programme (RDP) for Slovenia, formally adopted by the European Commission on 13 February 2015 and last amended on 20 January 2024, outlines Slovenia's priorities for using the €1 500 million of public contribution that is available for the 9-year period 2014-2022 (of which €1 156 million is from the EU budget).

The RDP for Slovenia focuses mainly on four priorities. Under the first – restoring, preserving and enhancing ecosystems related to agriculture and forestry – roughly one third of Slovenian farmland are placed under contracts to improve biodiversity and water and soil management. Under the second – competitiveness of agri-sector and sustainable forestry – in total 2.49% of farms will receive support for economic and environmental investments (including in greater resource efficiency). Under the third – social inclusion and local development in rural areas – 66% of the population is covered by local development strategies. In addition, 340 jobs are expected to be created through support to non-agricultural activities in rural areas. The fourth priority is for efficient use of water in irrigation and for reduction of greenhouse gas emissions from agriculture.

For years 2021 and 2022, the RDP allocates €73 million from the European Union Recovery Instrument to collective investments for placing goods on market and for increasing land productivity with water savings through irrigation and agro-ameliorations on consolidated land. Further, the said amount supports also innovation and knowledge transfer activities on the one hand and investments in machinery and in stables to reduce greenhouse gas emissions on the other.

Rural Development is the second 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. The Rural Development Regulation for the period 2014-2022 addresses six economic, environmental and social priorities and the rural development programmes contain clear targets.

This document provides a brief overview of how the challenges Slovenia faces are addressed by its 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

Slovenia covers an area of 20 273 km² of which 36% is agricultural area and 56% is forestry land. Of the total agricultural land (602 000 ha) 58% is permanent grassland and 36% is arable land. The share of agricultural land in NATURA 2000 areas and in areas with natural constraints is respectively 21% and 75%.

Slovenia has roughly 69 900 agricultural holdings with an average size of 6.8 ha. The average economic size, measured in terms of standard economic output, is far behind the EU average. The share of farm managers younger than 35 years is 4.6% (slightly below EU average). The small farm structure, low bargaining power of farmers and moderate factor productivity (which is slightly below EU average) imply very low incomes from agriculture for the vast majority of Slovenian farmers. Slovenia belongs to a group of Member States with the lowest factor income from agriculture.

Due to many very steep slopes, a considerable part of biodiversity rich grassland risks no longer being cultivated. Outside steep slopes, biodiversity is in a pronounced decline due to intensive agriculture. Not all water bodies have achieved good status yet, with agriculture identified as one of the main pressures on water quality especially in the flat part of Slovenia with arable land. The exposure of soil to extreme weather events causes severe soil erosion problem.

Gross domestic product in rural areas of Slovenia is significantly lower than in the EU rural areas. Rural areas in Slovenia cover almost three quarters of Slovenian territory but account for 58% of the population and for 58% of employment. In the Slovenian economy, rural areas create 49% of gross value added. Roughly 38% of the rural households have no access to fast broadband infrastructure.

The main types of challenges for rural development policy in Slovenia are as follows:

- First, the productivity of agricultural production in the context of small farm structure and unfavorable geographical conditions needs to be increased. Slovenian agriculture also needs generational renewal.
- Second, land abandonment in the context of natural constraints needs to be prevented and biodiversity, water and soil quality have to be improved.
- Last, the small farm structure and low incomes from agriculture require creation and development of activities outside agriculture. For higher prosperity, economy in rural areas needs to develop activities that add high value.

2. HOW THE SLOVENIAN RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, the RDP for Slovenia funds action under six out of six rural development priorities - with a particular emphasis on **restoring, preserving and enhancing of ecosystems related to agriculture and forestry, competitiveness of agri-sector and sustainable forestry**, and **business creation and local development in rural areas**. The focus of each priority is explained briefly below.

Knowledge transfer and innovation in agriculture, forestry and rural areas

This cross-cutting priority is addressed through measures supporting training and advisory services for rural people and businesses: roughly **122 500 places in training courses** will be provided.

175 cooperation activities between farmers, advisers and research institutions will provide for the transfer of knowledge and practical solutions for and to farmers. Joint innovative activity of an economic, environmental or social character is promoted, including in the framework of **the European Innovation Partnership for Agricultural Productivity and Sustainability**.

Competitiveness of agri-sector and sustainable forestry

The Programme seeks to improve the productivity of agricultural sector through **2.49% of holdings by supporting them with investments** in machinery, equipment and facilities needed in agricultural production. This includes among others on-farm irrigation, protection of production from adverse weather and investments for collecting and placing agricultural products on market in a collective manner. For generational renewal, **2.49%** of holdings should receive **support for the setting up of young farmers**. As a response to the impact of Russia's invasion of Ukraine, **2.722 farms and 61 SMEs** most affected by the impact are supported with exceptional temporary support.

Food chain organization, processing and marketing of agricultural products and animal welfare

The Programme seeks to improve product quality and value through support for new participation in **quality schemes**. To contribute raising the bargaining power of farmers in the value chain, setting up of **producer groups and organizations** is supported. This is complemented with **investments in processing and marketing of products**. There is also funding for **animal welfare** for practices going beyond compulsory standards.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

336 ha of agricultural land is supported as areas with natural constrains, most of which are mountainous areas. Around **33% of farmland** has been placed under funded contracts to **improve biodiversity**, almost **29%** under contracts for better **water management** and **31%** under contracts for improving **soil management** - including through organic farming, practices against erosion, better management of pesticides and fertilizers, and habitat maintenance. There is also investment support for **restoring forest habitats** damaged by the **natural disasters as well as for protective infrastructure in the case of firebreaks**.

Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

60.5% of the irrigated land is to switch to irrigation that is more efficient. Programme supports also and investments in **reduction of greenhouse gas and ammonia emissions** for **4.18% of livestock units**.

Local development and job creation in rural areas

Support targets for **creating and developing of non-agricultural businesses, farms diversifying** into non-agricultural activities and for **forestry activities**. Taken together, these activities are planned to **create 340 jobs**.

The RDP also funds **Local Development Strategies** drawn up and implemented by Local Action Groups under the LEADER approach: they cover areas containing **66% of the rural population**.

To close the gap in the coverage of broadband infrastructure, the RDP and the European Cohesion Policy Operational Programme for Slovenia build broadband infrastructure all cross Slovenia. It is planned that **18 000 people in rural areas will benefit from new broadband infrastructure** built by the RDP.

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

- € 385,6 million allocated to Measure 13: Areas with natural constraints
- € 333,4 million allocated to Measure 04: Investments
- € 268,3 million allocated to Measure 10: Agri-environment and climate measures
- € 143,0 million allocated to Measure 06: Farm and business development

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Target		Measure	Indicative public support	%
P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas			0,00	
1A Innovation, cooperation, knowledge			0,00	
T1: percentage of expenditure under Articles 14, 15 and 35 of Regulation (EU) No 1305/2013 in relation to the total expenditure for the RDP (focus area 1A)	2,34	M01 Knowledge	0,00	
		M02 Advisory services	0,00	
		M16 Cooperation	0,00	
1B Research & innovation			0,00	
T2: Total number of cooperation operations supported under the cooperation measure (Article 35 of Regulation (EU) No 1305/2013) (groups, networks/clusters, pilot projects...) (focus area 1B)	175,00	M16 Cooperation	0,00	
1C Lifelong learning and vocational training			0,00	
T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)	122.500,00	M01 Knowledge	0,00	
P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests			321.571.827,71	21,35%
2A Farm performance		Total: 2A	255.861.235,71	16,99%
T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	2,49	M01 Knowledge	2.111.519,28	0,14%
Total investment € (public + private)	646.901.455,85	M02 Advisory services	192.000,00	0,01%
Nr of holdings supported for investment in agricultural holdings (4.1)	1.800,00	M04 Physical Investment	187.287.742,43	12,44%
Nr of beneficiaries advised (2.1)	2.000,00	M06 Farm and business development	48.245.000,00	3,20%
		M16 Cooperation	11.143.488,00	0,74%
		M21 COVID-19 crisis	456.000,00	0,03%
		M22 Impact of Russia's invasion of Ukraine	6.425.486,00	0,43%
2B New farmers		Total: 2B	65.710.592,00	4,36%
T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	2,49	M01 Knowledge	125.000,00	0,01%
Nr of beneficiaries (holdings) receiving start up aid young farmers (6.1)	1.802,00	M06 Farm and business development	65.585.592,00	4,36%

P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture		165.769.086,64	11,01%	
3A Competitiveness of producers		Total: 3A	159.996.706,20	10,62%
T6: percentage of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)	21,78	M01 Knowledge	1.152.100,00	0,08%
T25: Odstotek živilskopredelovalnih podjetij s podporo programa za razvoj podeželja za naložbe v predelavo/trženje in/ali razvoj kmetijskih proizvodov	14,00	M02 Advisory services	1.479.603,00	0,10%
Total investment € (public + private)	345.178.667,81	M03 Quality schemes	2.911.000,00	0,19%
Nr of operations supported for investment (e.g. in agricultural holdings, in processing and marketing of ag. products) (4.1 and 4.2)	504,00	M04 Physical Investment	98.779.970,76	6,56%
Nr of beneficiaries	9.000,00	M09 Producer groups / organisations	2.936.170,00	0,19%
Nr of holdings supported (3.1)	13.277,00	M14 Animal welfare	50.960.333,33	3,38%
Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)	486,00	M16 Cooperation	1.777.529,11	0,12%
Nr of holdings participating in producer groups supported	2.000,00			
Nr of beneficiaries advised (2.1)	2.020,00			
		Total: 3B	5.772.380,44	0,38%
		M05 Restoring agricultural potential	5.772.380,44	0,38%
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry		773.846.670,94	51,39%	
4A Biodiversity, HNV and landscapes		Total: P4	773.846.670,94	51,39%
T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)	33,05	M01 Knowledge	1.555.000,00	0,10%
4B Water management		M02 Advisory services	4.203.310,00	0,28%
T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	28,89	M04 Physical Investment	1.000.000,00	0,07%
4C Soil management		M08 Forest	16.854.400,00	1,12%
T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	31,38	M10 Agri-environment-climate	268.308.498,01	17,82%
P4 All Focus Areas		M11 Organic Farming	87.053.206,95	5,78%
Total investment € (public + private)	1.000.000,00	M13 Areas with natural constraints	385.614.928,00	25,61%
Area (ha) under agri-environment-climate (10.1)	359.000,00	M16 Cooperation	9.257.327,98	0,61%
Area (ha) - conversion to organic farming (11.1)	15.000,00			

Area (ha) - maintenance of organic farming (11.2)	40.000,00			
Nr of beneficiaries advised (2.1)	23.571,00			
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors			46.342.164,02	3,08%
5A Water efficiency		Total: 5A	9.669.659,84	0,64%
T14: percentage of irrigated land switching to more efficient irrigation system (focus area 5A)	60,48	M04 Physical Investment	9.669.659,84	0,64%
Total investment € (public + private)	9.669.659,84			
5D Reducing GHG and NH3		Total: 5D	36.342.164,02	2,41%
T17: percentage of LU concerned by investments in live-stock management in view of reducing GHG and/or ammonia emissions (focus area 5D)	4,18	M04 Physical Investment	36.672.504,18	2,44%
Total investment € (public + private)	101.047.056,00			
P6: Promoting social inclusion, poverty reduction and economic development in rural areas			154.269.771,29	10,24%
6A Diversification, SMEs and job creation		Total: 6A	79.681.506,09	5,29%
T20: Jobs created in supported projects (focus area 6A)	340,00	M06 Farm and business development	29.161.782,03	1,94%
Total investment € (public + private)	73.641.396,00	M08 Forest	44.626.666,67	2,96%
Nr of beneficiaries (holdings) receiving start up aid/support for investment in non-agric activities in rural areas (6.2 and 6.4)	330,00	M16 Cooperation	2.283.057,39	0,15%
		M21 COVID-19 crisis	1.230.000,00	0,08%
		M22 Impact of Russia's invasion of Ukraine	2.380.000,00	0,16%
6B Local development		Total: 6B	67.660.314,20	4,49%
T21: percentage of rural population covered by local development strategies (focus area 6B)	65,57	M19 LEADER and CLLD	67.660.314,20	4,49%
T23: Jobs created in supported projects (Leader) (focus area 6B)	85,00			
Population covered by LAG	1.350.000,00			
Number of LAGs selected	33,00			
6C ICT		Total: 6C	6.927.951,00	0,46%
T24: percentage of rural population benefiting from new or improved services/infrastructures (ICT) (focus area 6C)	0,87	M07 Basic services	6.927.951,00	0,46%
M20 TA			40.757.884,00	2,71%
			40.757.884,00	2,71%

M113 Early retirement		3.371.467,01	0,22%
		3.371.467,01	0,22%
M341 Skills-acquisition and animation		0,00	0,00%
		0,00	0,00%
M131 Meeting standards		0,00	0,00%
		0,00	0,00%
Total public expenditure		1.505.928.871,61	100,00%