August 2024

Factsheet on 2014-2022 Rural Development Programme for Schleswig-Holstein/Germany

The Rural Development Programme (RDP) for Schleswig-Holstein was formally adopted by the European Commission on 26 May 2015 and last modified on 14 June 2024 (9th programme amendment), outlining Schleswig-Holstein's priorities for using the € 1,2 billion of public money that is available for the 9-year period 2014-2022 (€ 597 million from the EU budget, including € 107 million transferred from the German envelope for CAP direct payments, and € 249 million of national co-funding plus € 329 million of additional national funding top-ups.

The RDP for Schleswig-Holstein focuses mainly on 3 priority areas. Under the first of these – restoring, preserving and enhancing ecosystems related to agriculture and forestry – 10.72% of farmland is under biodiversity contracts, 7.33% under contracts to improve water management and 5.42% under contracts to improve soil management and reduce erosion. Secondly, to address social inclusion and local development in rural areas, 81% of the population are covered by LEADER local development strategies. Thirdly, to improve structures, 32 sectors of the coast protection plan receive support for flood protection. In addition, 82 projects for processing and marketing are receiving support.

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 all 28 Member States[1]. The 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 Schleswig-Holstein is facing 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]The UK left the Union on 31 January 2020. In accordance with the Withdrawal Agreement, support under Rural Development continues to apply in the UK during the 2014-2020 programming period.

1. SITUATION AND KEY CHALLENGES

In Germany rural development is implemented through 13 separate regional RDPs, which broadly correspond to the various *Länder* (but with two joint programmes). However, common elements to several regional programmes are presented in a national framework (NF) established at federal level. In addition to this, a National Rural Network Programme provides the funding for the networking of rural development actors in Germany.

Schleswig-Holstein covers an area of 15 799 km², of which 88.2% is rural. Of the total area, agricultural land covers 63% and forest land 10%.

Of a population of 2.89 million, 76.1% lives in predominantly rural areas and 23.9% lives in urban areas. The unemployment rate is 3.3% (2020).

Of the agricultural area (987 400 ha in 2019), 67.2% is arable land and 32.2% is permanent grassland. Permanent crops cover the remaining 0.6%.

There are over 12 700 agricultural holdings in total. More than 3 200 have a size above 100 ha; the average size is 78 ha and thus significantly above the federal average of 61 ha.

Environmental challenges in Schleswig-Holstein mainly relate to the decline of biodiversity and to wind and soil erosion caused by climate change.

Schleswig-Holstein faces an increasing flood hazard, especially along its coastline of more than 1 000 km.

The region faces more and more the negative effects of an ageing society, a constant decline of the population in rural areas and a sharp decline in the labour force.

2. HOW SCHLESWIG-HOLSTEIN'S RDP ADDRESSES THESE CHALLENGES

In coping with these challenges, Schleswig-Holstein's RDP funds actions under all six Rural Development priorities – with a particular emphasis on: **restoring, preserving and enhancing ecosystems related to agriculture and forestry; social inclusion and local development in rural areas; competitiveness of the agri-sector and sustainable forestry;** and **food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture.** The focus of each priority is explained briefly below.

<u>Knowledge transfer and innovation in agriculture, forestry and rural areas</u>

This crosscutting priority focusses on resource efficiency and supports the shift towards a low-carbon and climate-resilient economy in the agricultural, food and forestry sectors. It is addressed mainly through measures supporting training and advisory services for people and businesses in rural areas: an expected 16 000 participants are to be trained. In addition, support is provided for co-operations in the framework of the European Innovation Partnership for Agricultural productivity and Sustainability.

<u>Competitiveness of agri sector and sustainable forestry</u>

Besides the previously mentioned support for training, about 45 farms currently receive funding for investments – focused on better animal husbandry / welfare, high-quality production, and improved working conditions.

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

Support mainly addresses investments in flood and coastal protection for agricultural and forest areas. In addition, 82 projects related to processing and marketing are receiving support.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Schleswig-Holstein endeavours to enhance biodiversity and water and soil management through support for various environmentally friendly management practices – including organic farming, lower use of fertilisers and pesticides and protection of habitats. More than 10.72% of farmland are under funded contracts to improve biodiversity, 7.33% under contracts to improve water management and 5.42% under contracts to improve or prevent soil erosion. Finally, support for environmental investments complements these annual area-based payments.

Resource efficiency and climate

The emphasis in Schleswig-Holstein is on investments in forest area development and improvement of the viability of forests. The afforestation of 1 450 ha of land is intended.

Carbon conservation and sequestration shall be achieved through the implementation of agri-environment-climate measures on an area of nearly 14 000 ha.

Social inclusion and local development in rural areas

Under this priority, 81% of the rural population is now covered by LEADER local development strategies and 6% benefits from improved services and infrastructure. Support for other co-operation projects and for village renewal is ensured.

The four ***biggest RDP measures*** in budgetary terms (total public funding including national top-ups) are:

- € 393 million allocated to Measure 5 (Restoring agricultural potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention measures)
- € 238 million allocated to Measure 7 (Basic services and village renewal in rural areas)
- € 171 million allocated to Measure 11 (Organic farming)
- € 122 million allocated to Measure 10 (Agri-environment-climate)

Annex: Indicative public support for the Rural Development Programme in Schleswig-Holstein (Germany)

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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)	4.53	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)	44.00	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)	16,000.00	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			**30,230,703.00**	**2.57%**
2A Farm performance		**Total: 2A**	**30,230,703.00**	**2.57%**
T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	0.32	M01 Knowledge	3,805,000.00	0.32%
Total investment I (public + private)	33,387,795.00	M02 Advisory services	6,550,000.00	0.56%
Nr of holdings supported for investment in agricultural holdings (4.1)	45.00	M04 Physical Investment	8,823,851.00	0.75%
Nr of beneficiaries advised (2.1)	4,300.00	M16 Cooperation	11,051,852.00	0.94%
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture			**405,390,899.00**	**34.50%**
3A Competitiveness of producers		**Total: 3A**	**11,990,745.00**	**1.02%**
4.2: Number of projects supported by investments (e.g. in agricultural operations, in the processing and marketing of agricultural products) (4.2)	82.00	M04 Physical Investment	11,990,745.00	1.02%
Total investment I (public + private)	54,000,000.00			
Nr of operations supported for investment (e.g. in agricultural holdings, in processing and marketing of ag. products) (4.1 and 4.2)	82.00			
3B Risk management		**Total: 3B**	**393,400,154.00**	**33.48%**
5.1: Sections of the general plan for coastal protection	32.00	M05 Restoring agricultural potential	393,400,154.00	33.48%
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry			**436,099,720.00**	**37.12%**
4A Biodiversity, HNV and landscapes		**Total: P4**	**436,099,720.00**	**37.12%**
T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)	10.72	M02 Advisory services	19,427,945.00	1.65%
4B Water management		M04 Physical Investment	32,170,288.00	2.74%
T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	7.33	M07 Basic services	63,769,226.00	5.43%
7.6: Number of population benefiting from non-productive investments in near-natural water developments (WFD).	2,500,000.00	M10 Agri-environment-climate	107,312,565.00	9.13%
7.6: Number of projects for non-productive investments in near-natural water developments (WFD)	559.00	M11 Organic Farming	171,231,489.00	14.57%

4C Soil management		M12 NAT 2000 & WFD	20,714,480.00	1.76%
T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	5.42	M13 Areas with natural constraints	9,116,333.00	0.78%
P4 All Focus Areas		M16 Cooperation	12,357,394.00	1.05%
Total investment I (public + private)	32,170,288.00			
Area (ha) under agri-environment-climate (10.1)	49,750.00			
Area (ha) - convertion to organic farming (11.1)	17,000.00			
Area (ha) - maintainance of organic farming (11.2)	40,000.00			
Area (ha) - NATURA 2000 AG land (12.1)	17,883.00			
Nr of beneficiaries advised (2.1)	2,000.00			
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors			**29,593,416.00**	**2.52%**
5E Carbon conservation / sequestration		**Total: 5E**	**29,593,416.00**	**2.52%**
T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)	1.26	M08 Forest	14,819,431.00	1.26%
8.4: Restored area to original state of forests after forest fires, natural disasters and catastrophic events	1,165.00	M10 Agri-environment-climate	14,773,985.00	1.26%
Area (ha) to be afforested (establishment - 8.1)	1,450.00			
Area (ha) under agri-environment-climate for carbon sequestration	13,950.00			

P6: Promoting social inclusion, poverty reduction and economic development in rural areas			**258,937,847.50**	**22.04%**
6B Local development		**Total: 6B**	**196,405,771.50**	**16.72%**
T21: percentage of rural population covered by local development strategies (focus area 6B)	81.11	M07 Basic services	112,349,914.00	9.56%
T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	5.84	M19 LEADER and CLLD	84,055,857.50	7.15%
T23: Jobs created in supported projects (Leader) (focus area 6B)	86.00			
Population benefiting from improved services/infrastructures (7.1; 7.2; 7.4; 7.5.;7.6; 7.7)	123,000.00			
Population covered by LAG	1,800,000.00			
Number of LAGs selected	22.00			
6C ICT		**Total: 6C**	**62,532,076.00**	**5.32%**
T24: percentage of rural population benefiting from new or improved services/infrastructures (ICT) (focus area 6C)	5.41	M07 Basic services	62,532,076.00	5.32%
M20 TA			**14,636,394.34**	**1.25%**
			14,636,394.34	**1.25%**
Total public expenditure			**1,174,888,979.84**	**100.00%**