



Factsheet on 2014-2020 Rural Development Programme for the German Land Hessen

The Rural Development Programme (RDP) for Hessen was formally adopted by the European Commission on 13 February 2015, outlining Hessen's priorities for using the € 647 million of public money that is available for the 7-year period 2014-2020 (€ 318.9 million from the EU budget, including € 50.6 million transferred from the German envelope for CAP direct payments, and € 177.8 million of national co-funding plus € 150.5 million of additional national funding top-ups).

The RDP for Hessen focuses mainly on two priority areas. Under the first of these – restoring, preserving and enhancing ecosystems related to agriculture and forestry – **6 % of farmland** and nearly **8 % of forest land** will be placed under funded contracts to **improve soil management** and **cut erosion**. Support for eco-friendly land management will also help maintain **habitats** and improve **water management**. Under the second main priority – social inclusion and local development in rural areas - **91% of the rural population** is expected to be covered by **local development strategies** and nearly **30%** will benefit from **new or improved broadband infrastructure** thanks to fresh investment.

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 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 Hessen 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. SITUATION AND KEY CHALLENGES

Member States with regional programmes, like Germany, may submit for approval a national framework containing common elements for the regional rural development programmes (RDPs).

In Germany rural development is implemented through 13 separate regional RDPs, which broadly correspond to the various *Länder* (but with two joint programmes). However, elements common to 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.

Hessen covers an area of 21 115 km², of which 26 % is urban, the rest being categorised as "rural" or "intermediate" areas (where 45 % of the total 6.1 million population lives). Of the total area, forest land covers 42 % (one of the biggest shares in Germany). The unemployment rate is 4.7% (2012) and thus well below the federal average.

Hessen is a Land in the centre of Germany which, socio-economically speaking, is divided into two halves. On the one hand, the south is economically strong and densely populated. The population has a high purchasing power and likes to buy high-quality food products. Wine is the most prominent regional product. On the other hand, the north is less prosperous than the south and suffers from the consequences of outmigration and other demographic change. Some villages are deserted and infrastructure is underfunded.

Despite the advantages of proximity to strong demand for high-quality food, Hessen's food and feed sector is relatively weak - dominated by part-time holdings and displaying a lower turnover per worker than the federal average.

Environmental challenges in Hessen relate to soil erosion, nitrate pollution in surface and ground waters and pressure on biodiversity.

2. HOW THE HESSEN RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, Hessen's RDP will fund action under five out of six Rural Development priorities – with a particular emphasis on **restoring, preserving and enhancing ecosystems related to agriculture and forestry** as well as **social inclusion 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 will be addressed mainly with nationally funded measures supporting **training** and **farm advisory services**, but also through support for cooperation in the framework of the **European Innovation Partnership** for Agricultural Productivity and Sustainability.

Competitiveness of agri sector and sustainable forestry

More than **5 % of farms** will receive funding for **investments** – focused on innovative potential, young farmers, organic farming, animal welfare and resource efficiency. This funding will also cover land consolidation and agricultural access roads. This will be complemented by support for the **European Innovation Partnership** for Agricultural Productivity and Sustainability, as well as for **farm diversification**.

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

Farmers will receive support for **investments in processing and marketing**, with a special focus on products emanating from approved **quality schemes**. They will also be funded to co-operate with others to develop **short supply chains** and **local markets**.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

6 % of farmland and nearly **8 % of forest land** will be placed under funded contracts to **improve soil management** and **cut erosion**. Support for eco-friendly land management will also help maintain **habitats** and improve **water management**. Funding for **environmental investments** and for **co-operative projects** on **climate change** adaptation and mitigation will complement these management contracts.

Resource efficiency and climate

The programme does not allocate funding directly to this priority. Nevertheless, resources allocated to other priorities will help to achieve it. Support for **farm investments** will make an indirect contribution by requiring investment projects to increase resource and water efficiency. There will also be contributions from **co-operative projects** to boost sustainability through the **European Innovation Partnership** and to **mitigate climate change**.

Social inclusion and local development in rural areas

The programme will fund **Local Development Strategies** drawn up by the expected 24 Local Action Groups (LAGs) under the LEADER approach: these will cover areas containing **91% of the rural population**. There will also be support for other local development projects, **village renewal** and **infrastructure**. Nearly **300 jobs** are expected to be created and nearly **30% of the rural population** will benefit from new or improved **broadband infrastructure** thanks to fresh investment.

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

- € 183 million allocated to Measure 7: Basic services and village renewal in rural areas
- € 128 million allocated to Measure 4: Investments in physical assets
- € 120 million allocated to Measure 11: Organic farming
- € 91 million allocated to Measure 13: Support to areas facing natural constraints

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

HESSEN - RDP strategy summary table with indicative public support			
Focus Area and targets	Measure	€ Total public	%
P1: Knowledge transfer and innovation in agriculture, forestry and rural areas (1)			
1A: fostering innovation, coop, knowledge base 0.78 % RDP expenditure	16 cooperation		
1B: strenghtening links (with research, etc.) 20 coop operations	16 cooperation		
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		120 800 000	18.67
2A: Farm performance 5.42 % of holdings with RDP support	04 investments 16 cooperation	116 800 000 4 000 000	18.05 0.62
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture (3)		12 500 000	1.93
3A: Improving competitiveness 0.03 % of holdings with RDP support	04 investments 16 cooperation	12 000 000 500 000	1.85 0.08
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry (2) (3-forestry)		242 939 000	37.54
4A: Biodiversity	08 forest investments	14 100 000	2.18

54.41 % UAA under contract	10 AgEnvClimate	18 000 000	2.78
4B: Water management	11 organic farming	120 000 000	18.54
3.11 % UAA under contract	13 ANC	90 589 000	14.00
4C: Soil erosion and management	16 cooperation	250 000	0.04
6.22 % UAA under contract			
7.82 % forestry land under contract			
P6: Promoting social inclusion. poverty reduction and economic development in rural areas		251 105 572	38.80
6A: Small enterprises	06 development	6 000 000	0.93
30 jobs created			
6B: Leader	07 basic services	119 300 000	18.43
90.53 % rural pop in LDS	16 cooperation	250 000	0.04
22.45 % rural pop improved services	19 LEADER	61 555 572	9.51
240 jobs created			
6C: ICT	07 basic services	64 000 000	9.89
28.70 % rural pop improved services			
Technical assistance		19 830 854	3.06
TOTAL PUBLIC ALLOCATIONS		647 175 426	100

(1) No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas

(2) Expenditure under priority 4 is programmed for the priority as a whole, not for individual focus areas