

First rural development programmes for the period 2007-2013 agreed: Czech Republic and Sweden

Today the Rural Development Committee (consisting of representatives of the 27 Member States) gave a positive opinion to the Rural Development programmes of the Czech Republic and Sweden for the next financial period 2007-2013. Financial aid of € 3 615 million for the Czech Republic and € 3 917 million for Sweden has been allocated for the two programmes. These programmes are defined to guarantee infrastructure, create new income opportunities for rural regions, promote growth and fight unemployment. The Commission still has to formally adopt the two programmes in the next weeks. The approval of the programmes for the other countries will follow in the next months.

"More than half of the citizens of the European Union live in rural areas and we have to make sure that these regions remain an attractive and prosperous place to be. That is why our Rural Development policy is so essential, to help the modernisation of agriculture and forestry, protect the environment and create new job opportunities both within and outside agriculture. I am delighted the committee has given its green light to the first programmes," said Mariann Fischer Boel, Commissioner of Agriculture and Rural Development.

Background:

Following the fundamental reform of the Common Agricultural Policy (CAP) in 2003 and 2004, the Council adopted in September 2005 a fundamental reform of rural development policy for the period 2007-2013 on the basis of the Commission's proposal of 14 July 2004. The Commission conducted a thorough analysis of the rural development (RD) policy, including an Extended Impact Assessment of future RD policy. The conclusions of this are reflected in the RD Regulation No 1698/2005, which is characterized by "continuity and change".

It continues to provide a menu of measures from which the Member States can choose and for which they receive Community financial support in the context of integrated RD programmes. It changes the way these programmes are developed by fostering the strategic content and the sustainable development of rural areas. For that purpose the future RD policy focuses on the three commonly agreed core policy areas (axes):

1. Improving the competitiveness of agriculture and forestry
2. Supporting land management and improving environment and
3. Improving the quality of life and encouraging diversification of economic activities.

CZECH REPUBLIC - Rural Development plan

Country profile:

- Agriculture: 54% of Czech Republic is agricultural land, less favoured areas constitute a half of it.
- Agricultural employment 3.8%, GDP 3.1%
- Scattered land ownership, need for investments, age structure, low degree of product finalization
- Environment: soil degradation, water erosion, afforestation
- Rural Areas: need for stabilizing the available resource base, renewable energy sources

Chosen strategy corresponding to the profile:

- Focus on investments in technologies, knowledge transfer, reparcelling, biodiversity, mitigation of climate change, stabilisation of rural areas, job creation, micro-enterprises, cultural heritage and rural tourism
- Good experience from SAPARD and 2004-2006 programming period
- Positive opinions of ex-ante and strategic environmental assessment.

A financial aid of € 3 615 million of which € 2 815 million is EU financed (78 %) for the Czech Republic has been allocated to the Czech Republic's Rural Development Programmes for the period 2007-2013

Axis	Total public (in € million)	% of EAFRD contribution	EAFRD (in € million)	Share %
Axis I	840 ,	75.00	630	22.39
Axis II	1 945	79.88	1 554	55.20
Axis III	635	75.00	477	16.93
LEADER	175	80.00	140	5.00
TA**	18	75.00	13	0.48
Total	3 615	77.87	2 815	100

* EAFRD: European Agricultural Fund for Rural Development.

** TA stands for technical assistance for the implementation of the programmes.

Aims:

The Rural Development plan of the Czech Republic aims

To base the development of the Czech Republic's rural areas on upholding the principles of sustainable development, a systematic improvement of the environment, care for the landscape and nature and reducing the negative effects of intensive agricultural and forestry management.

Create the conditions for the Czech Republic to be competitive in the basic agricultural and food commodities prioritising products with quality labelling, increase the proportion of production that can be sold on foreign markets and increase GDP per capita and the rural population revenues.

Expand and diversify the economic activities in the Czech Republic's rural areas so as to lead to development of business, the creation of new jobs, economic growth and reducing the level of unemployment in the countryside. Strengthen the cohesion of the rural population and to stabilise its social structure.

Concerning the three axes the main priorities of **Axis 1** of which the contribution of the EAFRD will be € 630 million (22%) are to create a strong agri-food industry and dynamic agri-food environment, to modernise agricultural holdings and to introduce innovations. Further the funds should be used to increase the quality of products, to extend training and advisory services and to reduce the average age of workers in agriculture.

The main focus of **Axis 2** of which the contribution to the EAFRD will be € 1 554 million (55%) is the protection of the quality of surface and ground water sources through measures focusing on erosion control and suitable use of agricultural land and promotion of:

- environmentally friendly farming methods leading to biodiversity
- suitable farming systems to preserve rural landscape
- the protection of the environment on agricultural land and in forest areas of high nature value and
- the use of renewable energy sources through the existing forestry potential and through the possibilities of its expansion and preservation of forest's positive functions.

Referring to **Axis 3** budget allocation of the EAFRD corresponds to € 477 million (17%). The programme aims to create employment opportunities and provide for higher incomes of rural population through the development and diversification of activities in rural areas and promotion of rural tourism, to provide for fulfilment of the Czech Republic's commitments in the area of use of renewable energy sources. Further conditions for growth in rural development areas should be created. The aims are to improve the facilities and appearance of villages and public areas and to strengthen the population's sense of identity with local environment and rural heritage.

Axis 3 should provide for the development of rural infrastructure with the objective to encourage the development of small and medium-sized enterprises and to improve the village environment and contribute to a higher level of education and employment of rural population through the development of advisory services and training. The use of information and communication technologies should be increased.

The **LEADER** budget allocation of the EAFRD will be € 140 million (5%) and it will be implemented in all three axes.

SWEDEN - Rural Development plan

Country profile:

Strengths:

- Modern and effective production in agriculture, forestry and food industry (high quality production, respect of environment and animal welfare, in line with consumer demand)
- Key role of farming and forestry in transition to sustainable development
- High natural and cultural values in landscape and clean environment
- Great resources in nature and landscape and social capital with potential as basis for enterprises and better quality of life

Weaknesses:

- Entrepreneurship and employment are less diverse in rural areas than in urban ones
- Many less favoured areas and areas where landscapes and biodiversity are threatened by changes in production methods, land use and social development
- Strong climate differences, sparse structures, vast distances, decreasing population in rural areas
- Lack of services and infrastructure in rural areas

Strategy chosen to respond to the strengths and weaknesses

Stimulate self-employment and entrepreneurship in farming and other sectors in rural areas, preserve and develop natural and cultural values of the landscape and strengthen the conditions for economic development and quality of life in rural areas.

Financial aid of € 3 917 million of which € 1 826 million is EU financed (47 %) for Sweden and has been allocated to Sweden's Rural Development Programs for the period 2007- 2013.

Axis	Total public (in € million)	% of EAFRD* contribution rate	EAFRD (in € million)	Share (%)**
Axis 1	555	50	278	15.5
Axis 2	2 702	46.66	1 261	71
Axis 3	326	45	147	12
LEADER	264	40	105	-----
TA***	70	50	35	1.9
Total	3 917	46.61	1 826	100

* EAFRD: European Agricultural Fund for Rural Development

** including LEADER

*** TA stands for technical assistance for the implementation of the programmes.

Aims

Overall the programme aims at the economically, socially and ecologically sustainable development of rural areas.

- A sustainable development and a sustainable use of natural resources in accordance with the adopted environmental objectives form a general basis for the programme. Agriculture, forestry etc. have great potential for resource efficient production with minimal environmental impact and have a key role in the transformation to a sustainable development of society, incl. energy supply.
- Farmers are crucial in their role as land managers and as producers of public goods in nature and to preserve and develop an attractive, open landscape, where grazing on pastureland is one central priority.
- The production of food with special properties or added value should be developed. There is growing consumer demand for organic products. Local, regional and/or small-scale production and processing in the food and other sectors is an important component in the search for enhanced business activity in rural areas deriving from agriculture and forestry, etc. Quality production that is regional or traditional in origin may constitute a part of this.
- The development of new goods and services production connected with agriculture and forestry and other enterprises in rural areas is important for the broadening of the economic base and for promoting further growth opportunities in rural areas. Priority areas are renewable energy, tourism and recreation, service trade and contract work.
- Knowledge, innovation and entrepreneurship are to be supported. It is also important to strengthen knowledge transfer from universities and other higher education and research institutions. We need measures that enable the transfer of relevant research findings to advisers and farmers.
- There are a number of groups, including young people, women and people of foreign ethnic origin, who are underrepresented in the agriculture and forestry sectors. These groups are needed in the land-based industries, not just to boost equality but also to improve the economic and social life of rural areas.

The **Axis 1** budget allocation of the EAFRD corresponds to € 278 million (15.5 %). It aims at encouraging competitiveness among enterprises in the agricultural and forestry, reindeer herding and food production and processing sectors, on the basis of the sustainable use of natural resources.

The **Axis 2** budget allocation of the EAFRD corresponds to € 1 260 million (71 %), main priorities are to:

- preserve and develop an attractive landscape and living countryside, stimulate the adjustment to resource-efficient and sustainable production with reduced environmental impact in order to help achieve EU and national environmental objectives as effectively as possible.

Axis 3 budget allocation of the EAFRD corresponds to € 147 million (12 %). This funding is dedicated to encourage diversification of the rural economy in order to promote employment, better quality of life of rural inhabitants and sustainable use of the combined resources of the country side. The axis is crucial for the programme to foster good overall development of rural areas.

Leader budget allocation of the EAFRD refers to € 105 million and aims at promoting the efficient implementation of the rural development programme through local support, active participation and cooperation on local level (Leader approach). The method should be applied throughout the country.

See also:

http://ec.europa.eu/agriculture/rurdev/index_en.htm

<http://blogs.ec.europa.eu/fischer-boel>