

Brussels, 20 June 2007

## France: Rural development plan for the "hexagone" (excluding Corsica)

### Country profile

- **Agriculture:** 54.4% of the territory is agricultural land, less favoured areas constitute 44% of it.
- **Forests:** Forest cover represents 28.1% of the territory.
- **Agricultural employment:** 3.8% of agricultural employment is generated by the primary sector.
- **Economic weight:** Agriculture represents 2.2% of GDP. The agro-food industry and wood industry generate respectively more than 10% and 3% of gross added value of French industry.
- **Challenges in agriculture:** Maintain the productivity of the sector parallel to supporting the sectors needing restructuring, to maintain continuous training, to develop quality products.
- **Environmental issues:** Water quality, degradation of biodiversity, consolidating the process of certifying Natura 2000 areas, risk of degradation of less favoured areas, erosion in certain regions.
- **Challenges for rural areas:** Compared to urban areas, higher unemployment rate, level of availability of services and diversification of economic activities unequal between regions, lower qualification rate.

### Chosen strategy corresponding to the profile:

Focus on farm investments, forestry policy and agro-food industry, knowledge transfer, biodiversity, water quality, job creation, micro-enterprises, diversification, cultural heritage and rural tourism.

The programme maintains the pattern of the previous programming period. Decentralisation, simplification and co-ordination are key priorities.

Ex-ante and environmental strategic assessment support the chosen priorities.

A financial aid of € 10.8 billion of which € 5.7 billion is EU co-financed (52.82%) for France ("hexagone") has been allocated to the approved rural development programme.

| Axis                    | Total public<br>(in million €) | Co-financing<br>rate EAFRD<br>(%) | EAFRD (in<br>million €) | EAFRD (in %)  |
|-------------------------|--------------------------------|-----------------------------------|-------------------------|---------------|
| Axis 1                  | 3921.5                         | 50.00                             | 1960.8                  | 34.24         |
| Axis 2                  | 5599.9                         | 55.00                             | 3079.5                  | 53.77         |
| Axis 3                  | 696.9                          | 50.00                             | 348.4                   | 6.08          |
| Leader                  | 520,6                          | 55.00                             | 286.3                   | 5.00          |
| Technical<br>assistance | 104.0                          | 50.00                             | 52.0                    | 0.91          |
| <b>Total</b>            | <b>10842.2</b>                 | <b>52.82</b>                      | <b>5727.1</b>           | <b>100.00</b> |

## **Aims:**

This programming for the period 2007-13 aims to properly display rural areas' economic, social and environmental strengths, by making good use of their diversity and upholding sustainable development.

**Under axis 1** to which € 3.9 billion is dedicated, four strategic objectives are defined in order to develop the competitiveness of the agriculture and forestry sector:

- **The development of innovation and the adaptation capacity of the agro-food production chain** will be based on the voluntary participation in training of active workers of the primary and derived sectors, as well as on synergy between research, development and training.
- **The adaptation of agricultural and agro-food production to the evolution of demand** will be based on quality products and the modernisation of agro-food production.
- **The promotion of modernised agricultural production** will be based on the policy of voluntary handover between generations as well as on-farm modernisation and support dedicated to infrastructure corresponding to specific local needs.
- **The raising of competitiveness of the forestry sector** will happen through making the most of human resources (through training) and support for investment.

**Under axis 2** to which € 5.6 billion is dedicated the objectives are:

- **To work towards the balanced occupation of the land** by supporting farms situated in less favoured agricultural zones or those with specific handicaps.
- **To preserve natural resources by using sustainable agricultural methods helping in particular to reach the objectives of the Natura 2000 network and the Water Framework Directive** – including the specific territorial challenges.
- **To promote forestry policy as an instrument of sustainable land management.**
- In order to complete actions to add value to forest resources, sustainable forest management and development are a must. First of all, this will be done through the reconstitution of the damaged forestry potential in regions affected by the storms of 1999. Support will also be granted to forestation by adapted species taking into account local opportunities and challenges in the field of water and biodiversity. Finally, particular attention will be paid to fire prevention – in line with the national forestry programme and forest protection plans against fire and landslide.

**Under axis 3** to which € 0.7 billion is dedicated, the EAFRD support will focus on maintaining and developing economic and residential activity, in order to preserve occupation and dynamism of rural areas. The priorities of the proposed actions are dedicated to economic development and the increase of availability of services. Training of active workers – which will be a transversal objective – is a key factor of competitiveness and essential element for creation of new activities. Finally, the protection of natural and cultural heritage will also constitute an important measure.

**The LEADER axis** budget allocation is € 0.52 billion and will be implemented in all three axes.