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Austria's Rural Development Plan

Country profile:

- Size: 83,858 km²; 60% of the total land surface is alpine land (mountain area).
- 8 million inhabitants; 78% live in rural areas, the remaining 22% are located in the predominantly urbanized areas of Vienna and the Rhine valley in Vorarlberg
- Unemployment rate of 5.2% is among the lowest by EU standards
- In 2005, approximately 189,000 agricultural holdings managed 6.5 million hectares of cultivated land or 76% of the total Austrian surface.
- The cultivated land can roughly be split into two equal parts of agricultural and forestry land.
- Around 54% of all farms are managed on part-time basis; in recent years the number of full-time agricultural holdings has remained stable, whereas the number of part-time farmers has fallen by 12%.
- Almost 80% of the total land area and about 70% of UAA is classified as less-favoured area
- The food sector with its main components meat, dairy products, cereals, wine, fruit and vegetables is characterized by a considerable share of 10% of organic farming
- In general, high nature value, clean environment and rich cultural and natural heritage prevail
- Extensive and ecologically friendly agricultural production and preservation/maintenance of landscapes, especially in less-favoured areas, are main elements of the Austrian Rural Development Programme.

Chosen strategy corresponding to the profile:

The overall objectives were chosen in accordance with the Community Strategic Guidelines (CSG) and the National Strategy Plan and are:

- Strengthening the competitiveness of the agricultural and forestry sector,
- sustainable use of natural resources and landscape conservation, conservation and development of attractive and vigorous rural areas, complemented by the methodological objective of
- setting-up integrated regional networks.

Strong emphasis is placed on the environment, nature protection and landscape conservation, taking account of the various environmental effects of agriculture and forestry, responding to the particular geographic and topological situation of an alpine country, and the demands of society. Therefore axis 2 is the most important axis in financial terms.

Budget over and share of EU funding

Axis	Total Expenditure (€ million)	Public Expenditure in %	Share of EAFRD in Public expenditure in %	EAFRD Contribution
Axis 1	1.078.461.191		50,15	540.858.038
Axis 2	5.661.479.553		49,96	2.828.506.644
Axis 3	506.070.718		50,20	254.047.905
LEADER	423.120.056		50,50	213.684.106
Technical assistance	153.157.535		48,56	74.373.299
Total	7.822.289.053		50,00	3.911.469.992

Overall aim of RD programme in country

- improving the competitiveness of the agricultural and forestry sector,
- sustainable use of natural resources and landscape conservation,
- conservation and development of attractive and vigorous rural areas.

Axis 1 budget allocation and main priorities:

EAFRD: EUR 540,858,038 (13.8% of programme total)

Total public funding: EUR 1,078,461,191

Main priorities:

- emphasis is put on the modernisation of agricultural holdings,
- support for setting-up of young farmers
- support for investments in infrastructure related to the development of agriculture and forestry, as well as
- adding value to agricultural and forestry products by supporting processing and marketing

Axis 2 budget allocation and main priorities:

EAFRD: EUR 2.828.506.644 (72% of programme total)

Total public funding: EUR 5.661.479.553

Main priorities under this axis are the agri-environmental measures with a broad variety of sub-measures. Compensatory allowances in less-favoured areas and payments for agri-environmental measures account for 90% of axis 2. Payments from this axis contribute to safeguarding the sensitive ecosystem in mountain areas and to compensate farmers signing agri-environmental contracts.

Axis 3 budget allocation and main priorities:

EAFRD: EUR 254,047,905 (6.5 % of programme total; combined with Axis 4 measures which are mainly implemented through Axis 3: 12%)

Total public funding: EUR 506,070,718

The two main priorities under this axis are Basic services for the economy and rural population and the Conservation and upgrading of the rural heritage with almost two thirds of the axis funding. Nature conservation, national parks, cultural landscape development and awareness-raising for potentials of the Alpine region are the most important measures to be implemented in this axis.

Leader budget allocation:

EAFRD: EUR 213,684,106 (5.5% of programme total)

Total public funding: EUR 423,120,056

Support for selected integrated strategies according to the Leader principles. The measure shall contribute to the accomplishment of the objectives under all three axes with a clear priority on axis 3. Inter-territorial and trans-national cooperation is envisaged.