



## Factsheet on 2014-2020 Rural Development Programme for Austria

The Austrian Rural Development Programme (RDP) was formally adopted by the European Commission on December 12, 2014, outlining Austria's priorities for using the 7.7 billion EUR of public money that is available for the 7 year period 2014-2020 (3.94 billion EUR from the EU budget and 3.76 billion EUR of national co-funding, plus 122 million EUR of additional national funding top-ups). With 71% of the support allocated to better management of natural resources and encouraging climate friendly farming practices, one of the objectives of the RDP is that close to 80% of the agricultural area is under contract for agri-environment schemes, organic farming or as Areas of Natural Constraint, and that roughly 600 000 training places will be created to boost innovation and more sustainable agricultural practices. Further measures include investment in farm structures (20 000 farm holdings) and rural infrastructure.

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, some 118 programmes are foreseen in all 28 Member States. The new RD Regulation for the 2014-2020 period 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 faced by Austria are addressed by the RDP. In the annex, a table indicates the priorities and focus areas with their specific targets, and their allocated budget.

### 1. SITUATION AND KEY CHALLENGES

Austria covers an area of 83 879 km<sup>2</sup> of which almost **80% is rural**. Of the total area, 32% is agricultural land while forests cover 44 %. The total population is 8.4 million – of which **66 % live in rural areas**.

The unemployment rate in Austria is 5.1% (Nov 2014), which is one of the lowest in the EU.

Austrian agriculture is characterized by small-scale structures where farming is difficult. To improve the competitiveness of these farms will be one of the key challenges in this programming period.

87% of farm holdings are located in mountain areas and areas facing natural or other specific constraints. To support these farmers in continuing farming and thus guaranteeing their living conditions will be another challenge.

Although Austria undertook big efforts in the field of environment in the last two programming periods, there is scope for improvement. Biodiversity is still declining and there are regions where emissions are too high and the groundwater quality goes beyond the thresholds.

Rural depopulation is an increasing problem in Austria and regions are more and more facing the negative effects of this development.

## **2. HOW THE AUSTRIAN RDP WILL ADDRESS THESE CHALLENGES**

In order to foster the competitiveness of the agriculture sector further, the RDP puts particular emphasis on investments contributing to environmental and climate objectives. In this context, innovation, as a cross-cutting objective, is an integral part of the Austrian RDP. It plays an important role in linking the highly prioritised environment and climate objectives with the **competitiveness** of the agri-food sector, **businesses in rural areas**, and **balanced territorial development** contributing to the creation of "green jobs".

One main objective of the RDP is to do more for the preservation of natural resources and cultural landscapes, building on the success of previous schemes. For example, there are measures to help extend the area under organic farming, even though nearly one fifth of Austrian farm area is already organic. Austria has chosen to address this mainly via **ensuring sustainable farming management including organic farming and climate actions**. Austria aims to improve biodiversity, water and soil management with environmentally friendly management practices, by land use change to more climate-friendly practices.

In addition, **Community Led Local Development** (CLLD/Leader) are expected to support the balanced territorial development of rural economies and communities, thereby creating jobs and improving living conditions in these areas.

The Austrian Rural Development Programme is centred on all six Rural Development Priorities with the main emphasis given to **restoring, preserving and enhancing the ecosystems related to agriculture and forestry** (Priority 4). It is foreseen that RDP support will also lead to the creation of more than 800 jobs, most of these being in the most remote and disadvantaged areas and showing negative population trends. The focus of each priority is explained briefly below.

The cross-cutting priority "Knowledge transfer and innovation in agriculture, forestry and rural areas" will help the farm sector and rural businesses to incorporate the results of research and innovation into their production systems. Transfer of knowledge will be provided through training of more than 600 000 participants over the period, mainly farmers. The links between the agricultural production sectors and research will be reinforced through 645 cooperation projects.

### Competitiveness of the agricultural sector and sustainable forestry

Farm investments of the pig and cattle sectors aim to restructure 20 000 farms (13 % of the total), simultaneously targeting environment, climate and animal welfare. An

important element is innovation, which is facilitated via co-operation, information and knowledge transfer between the agri-food sector, researchers and other stakeholders. More than 600 co-operation projects will be established, while a total number of 600 000 participants will be trained. Participation in the European Innovation Partnership can also be supported under this priority.

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

Primary producers will be supported by better integrating them into the agri-food chain through quality schemes (around 35 000 farm holdings), adding value to agricultural products, promoting local markets, short supply chains and producer groups.

#### Restoring, preserving and enhancing ecosystems related to agriculture and forestry.

Around 61% of the allocated amount will be used for area-based payments to farmers for using environment/climate friendly land management practices, including organic farming. Austria already has the highest proportion of its agricultural area farmed organically of any EU Member State (20%). Additionally, the RDP includes a limited number of highly targeted agri-environmental, climate measures prioritising the most vulnerable areas (for example Natura2000 and High Nature Value areas), and water management. This priority also supports environment/climate friendly farm investments and non-productive investments. The aim is that nearly 80% of the agricultural area will be under contracts of AECM, OF and ANC.

#### Resource efficiency and climate

The priority is for investments, namely for energy efficiency, emission reduction and renewable energy production on farms and in rural areas. Non-productive investments and changes in land use from arable land to extensive farming areas will also be supported. Environmental efforts in renewable energies will be encouraged as well, with almost 2000 holdings receiving support in this area.

#### Social inclusion and local development in rural areas

This priority is implemented entirely by the "bottom-up" approach through Local Development Strategies drawn up by the expected 75 Local Action Groups (LAGs). Investments in the food processing sector, in business start-ups and in basic services will only be supported within the scope of the Local Development Strategies. The focus is on growth and jobs in addition to improving living conditions in rural areas, particularly via business development, innovation and co-operation. 5.5% of the RDP public support has been earmarked for Community Led Local Development (CLLD/Leader). The approach will cover 75 % of the rural population creating both jobs – 490 new jobs expected - and improving living conditions.

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

- 2 billion EUR allocated for Measure 10 – Agri-Environment Climate Measure
- 1.76 billion EUR allocated for Measure 13 – Payments to areas facing natural or other specific constraints
- 912 million EUR allocated for Measure 4 – investment in physical assets
- 784 million EUR allocated for Measure 11 - Organic farming
- 764 million EUR allocated for Measure 7 – Basic services and village renewal in rural areas

Target	Measure	Indicative public support	%
<b>P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas</b>		<b>0,00</b>	
<b>1A Innovation, cooperation, knowledge</b>		<b>0,00</b>	
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)	2,85 M01 Knowledge	0,00	
	M02 Advisory services	0,00	
	M16 Cooperation	0,00	
<b>1B Research &amp; innovation</b>		<b>0,00</b>	
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)	645,00 M16 Cooperation	0,00	
<b>1C Lifelong learning and vocational training</b>		<b>0,00</b>	
T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)	609.000,00 M01 Knowledge	0,00	
<b>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</b>		<b>916.731.859,50</b>	<b>11,69%</b>
<b>2A Farm performance</b>		<b>Total: 2A 782.841.666,32</b>	<b>9,98%</b>
T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	13,32 M01 Knowledge	31.201.480,32	0,40%
Total investment € (public + private)	3.220.000.000,00 M02 Advisory services	7.350.000,00	0,09%
Nr of holdings supported for investment in agricultural holdings (4.1)	20.500,00 M04 Physical Investment	735.615.900,00	9,38%
Nr of beneficiaries advised (2.1)	52.150,00 M16 Cooperation	8.674.286,00	0,11%
<b>2B New farmers</b>		<b>Total: 2B 133.890.193,18</b>	<b>1,71%</b>
T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	4,93 M01 Knowledge	8.951.087,18	0,11%
Nr of beneficiaries (holdings) receiving start up aid young farmers (6.1)	10.900,00 M02 Advisory services	630.000,00	0,01%
Nr of beneficiaries advised (2.1)	4.470,00 M06 Farm and business development	123.937.320,00	1,58%
	M16 Cooperation	371.786,00	0,00%
<b>P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture</b>		<b>542.758.693,67</b>	<b>6,92%</b>
<b>3A Competitiveness of producers</b>		<b>Total: 3A 540.636.151,24</b>	<b>6,89%</b>
T6: percentage of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)	30,63 M01 Knowledge	21.331.990,24	0,27%
Total investment € (public + private)	860.000.000,00 M02 Advisory services	1.050.000,00	0,01%
Nr of operations supported for investment (e.g. in agricultural holdings, in processing and marketing of ag. products) (4.1 and 4.2)	350,00 M03 Quality schemes	133.000.000,00	1,70%
Nr of beneficiaries	38.000,00 M04 Physical Investment	143.898.580,00	1,83%
Nr of holdings supported (3.1)	35.000,00 M14 Animal welfare	228.500.000,00	2,91%
Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)	1.000,00 M16 Cooperation	12.855.581,00	0,16%
Nr of beneficiaries advised (2.1)	7.450,00		
<b>3B Risk management</b>		<b>Total: 3B 2.122.542,43</b>	<b>0,03%</b>
M01: Wissenstransfer und Informationsmaßnahmen (Artikel 14)	2.450,00 M01 Knowledge	1.540.756,43	0,02%
Nr of beneficiaries advised (2.1)	1.490,00 M02 Advisory services	210.000,00	0,00%
	M16 Cooperation	371.786,00	0,00%

<b>P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry</b>			<b>5.029.336.946,14</b>	<b>64,13%</b>
<b>4A Biodiversity, HNV and landscapes</b>		<b>Total: P4</b>	<b>5.029.336.946,14</b>	<b>64,13%</b>
T8: percentage of forest/other wooded area under management contracts supporting biodiversity (focus area 4A)	0,05	M01 Knowledge	25.816.219,49	0,33%
T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)	83,15	M02 Advisory services	4.538.994,00	0,06%
<b>4B Water management</b>		M04 Physical Investment	19.603.325,00	0,25%
T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	75,26	M07 Basic services	203.303.500,00	2,59%
<b>4C Soil management</b>		M08 Forest	92.301.141,00	1,18%
T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	78,50	M10 Agri-environment-climate	2.057.594.580,65	26,24%
T13: percentage of forestry land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	2,91	M11 Organic Farming	784.000.000,00	10,00%
<b>P4 All Focus Areas</b>		M12 NAT 2000 & WFD	6.500.000,00	0,08%
Total investment € (public + private)	29.400.000,00	M13 Areas with natural constraints	1.810.100.000,00	23,08%
Areas under forest environment contracts (15.1)	190,00	M15 Forest-environment	668.800,00	0,01%
Area (ha) under agri-environment-climate (10.1)	1.740.600,00	M16 Cooperation	24.910.386,00	0,32%
Area (ha) - maintenance of organic farming (11.2)	470.000,00			
Area (ha) - NATURA 2000 AG land (12.1)	2.500,00			
Nr of beneficiaries advised (2.1)	29.800,00			
<b>P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors</b>			<b>245.687.735,38</b>	<b>3,13%</b>
<b>5A Water efficiency</b>		<b>Total: 5A</b>	<b>20.859.617,38</b>	<b>0,27%</b>
T14: percentage of irrigated land switching to more efficient irrigation system (focus area 5A)	6,04	M01 Knowledge	614.465,09	0,01%
Total investment € (public + private)	39.500.000,00	M02 Advisory services	210.000,00	0,00%
Nr of beneficiaries advised (2.1)	1.490,00	M04 Physical Investment	19.229.438,00	0,25%
		M16 Cooperation	805.714,29	0,01%
<b>5B Energy efficiency</b>		<b>Total: 5B</b>	<b>4.999.023,27</b>	<b>0,06%</b>
M01: Wissenstransfer und Informationsmaßnahmen (Artikel 14)	12.250,00	M01 Knowledge	3.143.308,98	0,04%
Nr of beneficiaries advised (2.1)	7.450,00	M02 Advisory services	1.050.000,00	0,01%
		M16 Cooperation	805.714,29	0,01%
<b>5C Renewable energy</b>		<b>Total: 5C</b>	<b>193.536.143,44</b>	<b>2,47%</b>
T16: Total investment in renewable energy production (€) (focus area 5C)	585.278.000,00	M01 Knowledge	8.079.249,94	0,10%
Total investment € (public + private)	527.600.000,00	M02 Advisory services	1.652.536,21	0,02%
Nr of beneficiaries (holdings) receiving start up aid/support for investment in non-agric activities in rural areas (6.2 and 6.4)	1.970,00	M04 Physical Investment	43.000.043,00	0,55%
Nr of beneficiaries advised (2.1)	10.430,00	M06 Farm and business development	25.270.200,00	0,32%
		M07 Basic services	105.700.000,00	1,35%
		M08 Forest	9.028.400,00	0,12%
		M16 Cooperation	805.714,29	0,01%
<b>5D Reducing GHG and NH3</b>		<b>Total: 5D</b>	<b>21.981.454,52</b>	<b>0,28%</b>
T18: percentage of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (focus area 5D)	3,36	M01 Knowledge	655.740,23	0,01%
Area (ha) (e.g. green cover, catch crop, reduced fertilisation, extensification...)	96.667,00	M02 Advisory services	420.000,00	0,01%
Nr of beneficiaries advised (2.1)	2.980,00	M10 Agri-environment-climate	20.100.000,00	0,26%
		M16 Cooperation	805.714,29	0,01%
<b>5E Carbon conservation / sequestration</b>		<b>Total: 5E</b>	<b>4.311.496,77</b>	<b>0,05%</b>
M02: Beratung-, Betriebsführungs-, und Vertretungsdienste (Artikel 15)	4.470,00	M01 Knowledge	2.875.782,48	0,04%
Nr of beneficiaries advised (2.1)	4.470,00	M02 Advisory services	630.000,00	0,01%
		M16 Cooperation	805.714,29	0,01%

<b>P6: Promoting social inclusion, poverty reduction and economic development in rural areas</b>			<b>875.814.128,05</b>	<b>11,17%</b>
<b>6A Diversification, SMEs and job creation</b>		<b>Total: 6A</b>	<b>140.964.565,31</b>	<b>1,80%</b>
T20: Jobs created in supported projects (focus area 6A)	310,00	M01 Knowledge	13.413.246,60	0,17%
Total investment € (public + private)	152.700.000,00	M02 Advisory services	5.297.600,00	0,07%
Nr of beneficiaries (holdings) receiving start up aid/support for investment in non-agric activities in rural areas (6.2 and 6.4)	1.420,00	M06 Farm and business development	51.550.101,00	0,66%
Nr of beneficiaries advised (2.1)	31.209,00	M16 Cooperation	70.703.617,71	0,90%
<b>6B Local development</b>		<b>Total: 6B</b>	<b>680.529.768,71</b>	<b>8,68%</b>
T21: percentage of rural population covered by local development strategies (focus area 6B)	74,88	M07 Basic services	432.953.983,00	5,52%
T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	54,46	M16 Cooperation	371.785,71	0,00%
T23: Jobs created in supported projects (Leader) (focus area 6B)	490,00	M19 LEADER and CLLD	247.204.000,00	3,15%
Population benefiting from improved services/infrastructures (7.1; 7.2; 7.4; 7.5.;7.6; 7.7)	3.000.000,00			
Population covered by LAG	4.125.000,00			
Number of LAGs selected	75,00			
<b>6C ICT</b>		<b>Total: 6C</b>	<b>54.319.794,03</b>	<b>0,69%</b>
T24: percentage of rural population benefiting from new or improved services/infrastructures (ICT) (focus area 6C)	34,49	M01 Knowledge	1.119.794,03	0,01%
		M07 Basic services	53.200.000,00	0,68%
<b>M20 TA</b>			<b>232.491.124,82</b>	<b>2,96%</b>
			<b>232.491.124,82</b>	<b>2,96%</b>
<b>Total public expenditure</b>			<b>7.842.820.487,56</b>	<b>100,00%</b>