



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

The Polish Rural Development Programme (RDP) was formally adopted by the European Commission on December 12, 2014, outlining Poland's priorities for using the €13.6 billion of public money that is available for the period 2014-2020 (**€8.7 billion from the EU budget** plus €4.9 billion of national funding). With one third of the funding aimed at "**enhancing farm viability and competitiveness**", the RDP is expected to provide investment support to roughly 200 000 farms, and targets the creation of more than 22 000 jobs and more than 1 600 producer groups. In addition, 30% of the support is reserved for environmental and climate friendly practices, with the objective of covering 19% of Poland's agricultural area.

[Rural Development](#) is the second 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 provided for across the 28 Member States. The new [Rural Development 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 and Investment Funds ([ESIF](#)), a [Partnership Agreement](#) was agreed with each Member State comprising a broad strategy for EU-funded structural investment.

This document provides a brief overview of the situation in Poland and how the challenges and opportunities faced by Poland are addressed by the RDP. In the annex, a table indicates the priorities and focus areas as well as their allocated budget.

### 1. SITUATION AND KEY CHALLENGES<sup>1</sup>

Poland covers an area of 312 700 km<sup>2</sup> of which **51.2% is rural** and further 39.5% is intermediate. Approximately 30% of the Polish territory is covered by forests. Of the 14.5 million hectares of utilised agricultural area, 74.7% is arable land and 22.4% is permanent grassland and meadows. The total population is 38.5 million – of which **39% live in rural areas**.

The **unemployment** rate in Poland is 8.3%<sup>2</sup> and rural areas are characterised by hidden unemployment, high poverty rate (32.7%) and the risk of social exclusion. There is a relatively high share of the population working in agriculture (12%, compared to the EU

<sup>1</sup> Data from 2014 when the RDP was adopted.

<sup>2</sup> Eurostat, data released on 28<sup>th</sup> November 2014.

average of 5%<sup>3</sup>) due to the socio-economic structure of Polish agriculture which is dominated by small family farms (out of 1.5 million farms, some 55% are below 5 ha).

A challenge arising from the very low **productivity in the agricultural sector** is the lack of proper technical equipment in family farming, as well as lack of entrepreneurs and innovators in rural areas. It is difficult to attract and maintain a well-educated work-force in these areas due to, amongst other things, a lack of basic infrastructure and services.

Low soil quality, combined with frequent rainfall shortages, also have a negative impact on agricultural productivity. In Poland, soil quality influences the agricultural productivity of land, to the extent that 62.5% of agricultural land is classified as areas with natural constraints (ANC).

As the agriculture sector accounts for **10.7% of Poland's GHG emissions**, farmers need practical tools to address these and other emissions stemming from intensive crop and livestock production.

Approximately 19.4% of arable land in Poland faces various **environmental challenges**: 8.2% is particularly endangered by water and/or wind erosion, 3.6% experiences problems with low humus levels and 7.4% are defined as Nitrate Vulnerable Zones (areas that drain into waters polluted by nitrates). The relatively intensive use of arable land - 17.8% is covered by high intensity farming with a further 44.6% medium intensive - is putting pressure on certain ecosystems and high nature value areas. Moreover, the relatively poor **water quality** and the high eutrophication of Polish lakes, waterways and the Baltic Sea make it necessary to reduce nitrogen, phosphorus, pesticide and herbicide emissions.

## 2. HOW THE POLISH RDP WILL ADDRESS THESE CHALLENGES

The further modernisation of agriculture is considered to be crucial for enhancing the competitiveness of farms. It will notably help streamlining structural changes in the milk, pig and beef sectors, while maintaining a stable base of raw agricultural products for the food processing industry. The **support schemes will be addressed at small and medium-sized farms** to enhance their production potential, which should in turn lead to higher value added. Given the existing agricultural land fragmentation, there is a need for further **diversification towards non-agricultural sectors** and improved access to agricultural services. Generational renewal is considered to be a key factor influencing the modernisation and competitiveness of farms. Therefore, investment support will encourage young people to set up new, modern and competitive farm enterprises.

Due to the fragmentation of Polish farms, the small scale of production and difficulties in adapting production to customer demand, there is a need for tools to address these structural shortcomings, for example **support for farmers working together in producer groups** and participation in quality schemes.

More targeted support is also needed to promote the **sustainable management of natural resources** (soils, water protection, traditional orchards and fruit tree varieties) and protecting valuable habitats, such as Natura 2000 sites, as well as moves to protect endangered traditional local livestock breeds and local crop varieties.

In addition, as a way of encouraging local initiatives for the balanced territorial development of rural economies and communities, creating jobs and improving living conditions in these

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<sup>3</sup> Data based on National Accounts.

areas, the Programme will support **Community Led Local Development** (CLLD/Leader) projects.

The Polish RDP is aimed at all six Rural Development Priorities with the main priority being **farm viability and competitiveness** (Priority 2). The RDP focuses 35% of the support on physical investments in well targeted sectors (milk, beef, pig), as well as on farms located in Nitrate Vulnerable Zones and Natura 2000 areas. In addition, 30% of the support is reserved for environmental and climate friendly services and practices aimed at enhancing biodiversity, high nature value farming, improving water management and preventing soil erosion. The focus of each priority is explained briefly below.

#### Knowledge transfer and advisory services in agriculture

Support will be mainly oriented towards economic and environmental aspects of the agricultural sector. More than 260 000 participants will take part in various training sessions and demonstration projects. Strengthening the mechanisms related to the transfer of knowledge and innovations, inter alia by advisory services, is vital for the development of the agriculture sector. The farm advisory system will link research units and the agricultural sector. By assuring individual advisory services, taking into account specific needs of the farms, practical and up-to-date knowledge will be provided to enable farmers embrace innovative agricultural practices.

#### Competitiveness of agricultural sector

Roughly 45 000 holdings will receive modernisation support to improve their competitiveness, with a further 30 000 small farms receiving start up aid for the implementation of various types of operations. A further €65 million will be allocated for investments in development of services for agriculture (520 operations). In a move to improve farm structures, support will take the form of annual payments for persons leaving agriculture, which is expected to enable transfer of 110 000 ha of land from small holdings to holdings whose area is close to the average national size. Finally, investment support will help young people to set up just under 29 000 new, modern and competitive farm enterprises.

#### Food chain organisation, including processing and marketing of agricultural products

Under this priority the highest amount of funds is allocated for supporting processing of agricultural products (€693 million), helping to fund about 2 800 projects in processing plants and agricultural holdings. In addition, aid will be granted to more than 1 600 producer groups. Nearly 26 000 holdings will obtain support linked to production under national or EU quality schemes.

#### Restoring, preserving and enhancing ecosystems

The support under this priority will be used for reducing fertilization levels and the use of pesticides and herbicides, more sustainable grazing and mowing in areas with valuable natural habitats or which are the habitats of endangered bird species located in and outside Natura 2000 areas. In addition, necessary steps will be taken to reduce leaching of natural manure (containing nitrogen, phosphorus) into groundwater.

#### Low carbon and climate resilience economy in agriculture and forestry sector

Just over €270 million will be available as afforestation grants to cover areas of roughly 4 800 ha. Given the multi-annual nature of the measure, most of these

funds will be allocated for the maintenance of forests established under previous RDPs 2004-2006 and 2007-2013.

### Social inclusion and local development

This priority uses the bottom-up approach through Local Development Strategies drawn up by the expected 256 Local Action Groups (LAGs). Investments in the development of non-agricultural activities, combatting social exclusion and poverty, conservation and protection of cultural heritage will be supported exclusively under the Local Development Strategies. 12.8% of the RDP budget has been earmarked for Community Led Local Development (CLLD/Leader). The approach will cover 58.2% of the rural population while creating approximately 22 000 jobs and improving living conditions.

The five **biggest RDP measures** in budgetary terms (EAFRD funds) are:

- Investments in physical assets (Measure 4): €2 312 million
- Farm and business development (Measure 6): €1 473 million
- Payments for areas facing natural constraints (Measure 13): €1 262 million
- Agri-Environment Climate Measure (Measure 10): €870 million
- Basic services (Measure 7): €684 million

### **PL RDP Implementation to date:**

In general, the progress until now is satisfactory. As of end May 2018 the signed contracts amount to **41.35%** while Poland paid out **21.30%** of the RDP budget.

## Annex 1: Indicative public support for the Rural Development Programme for Poland

Target	Measure	€ Total public	%
<b>Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas<sup>4</sup></b>			
1A: Fostering innovation, cooperation, knowledge base <u>1.4%</u> RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) <u>90 cooperation operations</u>	16 cooperation		
1C: Training <u>261 811</u> training participants	01 knowledge		
<b>Priority 2: Farm viability, competitiveness and sustainable forest management</b>		<b>4 763 991 676</b>	<b>35.00</b>
2A: Farm performance <u>2.97%</u> farms with RDP support <u>154 670</u> training participants <u>56 500</u> beneficiaries advised	01 knowledge	34 799 855	0.25
	02 advisory	75 000 518	0.55
	04 investments	2 784 696 981	20.45
	06 farm / business development	1 117 516 598	8.20
	16 cooperation	33 999 093	0.25
2B: generational renewal <u>1.91%</u> young farmers with RDP support	06 farm / business development	717 978 629	5.27
<b>Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management</b>		<b>1 517 142 720</b>	<b>11.15</b>
3A: Improving competitiveness of agricultural producers <u>4.12%</u> farms with RDP support <u>1 809</u> producer groups set up <u>25 950</u> farms in quality schemes <u>36 251</u> training participants	01 knowledge	8 700 069	0.06
	03 quality schemes	28 003 300	0.20
	04 investments	693 052 019	5.10
	07 basic services	63 248 582	0.46
	09 producer groups	372 268 848	2.73
	16 cooperation	33 999 093	0.25
3B: Farm risk prevention and management <u>990 beneficiaries</u> investing in risk prevention	01 knowledge	2 899 882	0.02
	05 restoring agric. potential	314 970 925	2.31

<sup>4</sup> No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas.

<b>Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry<sup>5</sup></b>		<b>4 190 891 378</b>	<b>30.79</b>
4A: Biodiversity <u>7.99%</u> utilised agricultural area under contracts <u>0.50%</u> of forests under contracts	01 knowledge	11 599 951	0.08
	04 investments	99 276 000	0.72
	08 forestry	30 000 000	0.22
4B: Water management <u>7.85%</u> utilised agricultural areas under contracts	10 AEC	1 366 720 882	10.04
	11 organic farming	699 974 172	5.14
	13 ANC	1 983 320 373	14.57
4C: Soil erosion and management <u>10.44%</u> utilised agricultural areas under contracts <u>0.50%</u> of forests under contracts			
<b>Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors</b>		<b>270 989 798</b>	<b>1.99</b>
5E: Carbon conservation and sequestration <u>4 800 ha afforested</u>	08 forestry	270 989 798	1.99
<b>Priority 6: Social inclusion, poverty reduction and economic development in rural areas</b>		<b>2 226 033 008</b>	<b>16.35</b>
6A: Job creation <u>16 550 jobs created</u>	06 farm / business development	479 359 101	3.52
6B: LEADER <u>58.19%</u> rural population under local development strategies <u>5.41%</u> rural population with improved services/infrastructure <u>5 943 jobs created (LEADER)</u>	07 basic services	1 011 692 724	7.43
	19 LEADER and CLLD	734 981 182	5.39
<b>Measure 113 Early retirement</b>		319 984 053	2.35
<b>Technical Assistance</b>		323 277 848	2.37
<b>Total public expenditure €</b>		<b>13 612 310 484</b>	<b>100</b>

<sup>5</sup> Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas.