

Rural Development Programme (RDP) of Poland

Program Rozwoju Obszarów Wiejskich na lata 2007-2013¹ (Programme for Development of Rural Regions 2007-2013)

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Map of Poland

(© European Commission) Rural Development Programme (RDP): http://www.minrol.gov.pl/pol/Wsparcierolnictwa-i-rybolowstwa/PROW-2007-2013/PROW-na-lata-2007-2013/Dokumenty-PROW-2007-2013/PROW-2007-2013/Program-Rozwoju-Obszarow-Wiejskich-2007-2013 National Strategy Plan (NSP): http://www.minrol.gov.pl/pol/Wsparcie-rolnictwa-irybolowstwa/PROW-2007-2013/PROW-na-lata-2007-2013/Dokumenty-PROW-2007-2013/KPS-ROW-2007-2013 Polish National Rural Network (NRN): http://www.ksow.pl/

General socio-economic situation in rural areas in Poland

The Republic of Poland is regarded as a lowland country, as nearly 96% of its territory is positioned lower than 350 metres above sea level (and only 2.9% is located above 500 metres). Rural areas account for 93.2% of the country and are considered to be economically, socially and environmentally vital for Poland.

The population of Poland is 38,157,000 (8.3% of the total population of the EU-27), of which 38.6% (14,733,000) reside in rural areas. Between 2000 and 2005, the share of working-age rural residents increased from 56.8% to 60.7% (and from 63.3% to 66.1% in cities). In terms of population share, this age group increased by about 7% (and by about 3% in cities). The main factors contributing to this included higher birth rates and reduced migration towards towns in the last 15 years.

The Polish countryside contains roughly 53,000 rural localities, including 42,800 villages and 10,200 settlements and colonies. Since 2000, Poland has witnessed the migration of people from cities to rural areas. This has been driven by a number of factors including: city dwellers settling in rural areas, a decrease in the number of people migrating to cities for work, those returning to the countryside having lost their jobs elsewhere and the development of towns/ villages.



¹ The text of this summary sheet was finalised in April 2010, following the adoption of the Health Check and European Economic Recovery Package and additional funds from Modulation.



The agricultural sector is recognised as having extensive land resources and production potential. Agricultural production is varied across the country and the average size of agricultural holdings is increasing and leading to regional diversification. Yet problems remain, as the profitability of the sector is low, the level of investment for modernisation and facilitating innovation is limited, and the sector also encounters problems with poor and acidified soils.

Generally speaking, the environment is considered to be well preserved which results in opportunities to produce high quality food. There is also a high level of biodiversity but this requires greater levels of protection to ensure its longevity (which could also help to foster the rural tourism industry). In addition, agricultural management practices need to be adapted so as to ensure a reduction in pollution levels. Also, water resources are limited.

The level of education amongst the rural population is perceived as insufficient and is often an obstacle to initiating activity outside of agriculture, including self-employment. In recent years, those with basic vocational education made the greatest contribution to the rural employment rate (which increased by around 3%). Those with a general secondary education represented the greatest decrease in employment rate (almost 5%). Therefore, to further combat rising unemployment, more training opportunities need to be made available to ensure occupational mobility.

Rural areas are considered to have a limited technical and social infrastructure and a poor network of services. In some areas, social exclusion and poverty have also been increasing. Employment growth has been slow in non-agricultural sectors.

RDP strategic objectives

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

- To improve human potential;
- To improve vocational education;
- To improve the competitiveness of the agricultural and forestry sectors;
- To improve cooperation and concentration of supply and processing;
- To prepare the implementation of the cross-compliance principle;
- To improve infrastructure in rural areas;
- To protect biodiversity;
- To protect the environment, including soil and to increase forest cover;
- To improve living standards within rural areas;
- To support entrepreneurship and the creation of jobs outside of agriculture;
- To implement local strategies in order to mobilise the potential of rural areas.

These objectives are addressed by specific measures of the four axes of the RDP.

Taking into account the additional funding provided by the CAP Health Check, Modulation and the European Economic Recovery Package, greater strategic priority is given to 'new challenges', as outlined in the revised 2009 RDP. These will provide additional support for initiatives to address the restructuring of the milk sector (which received 37% of the new RDP funds), improving water management (20%), renewable energy (2%), biodiversity (6%) and the development of broadband infrastructure (35%).



Expected impact / outcomes of the policies

According to the ex-ante evaluation, the RDP's main expected outcomes are:

- To impact significantly on the development of rural areas resulting from the sound investment of an amount exceeding €15 billion between 2007 and 2013;
- To enhance economic and social development in rural areas via initiatives related to investment, infrastructure and human resources, as well as measures which provide farmers with financial support in the form of area payments;
- To improve the skills and competences of rural inhabitants. Moreover, they will contribute to the increase in entrepreneurship and local involvement through 'leader'.

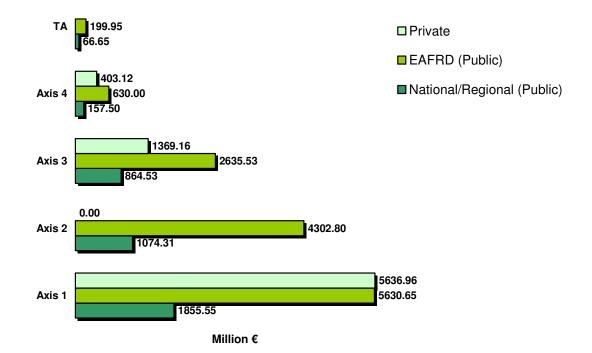
The Programme will also contribute to the delivery of other results in addition to the previous direct results:

- Increase considerably, the level of economic and community activity of rural residents;
- Develop human resource potential of the rural population;
- Facilitate self-organisation for those aspiring to improve their living standards;
- Increase interest in professional and general qualifications;
- Increase awareness of responsibility for the environment, as well as energy and water saving;
- Increase awareness of collective activities;
- Promote the image and attractiveness of Polish rural areas;
- Greater impact on local management systems;
- Improve regulation of land ownership and registration;
- Increase and diversification of services;
- Foster greater respect for rural heritage values.

Following RDP amendments in 2009, some measures have been modified in terms of outputindicator targets to reflect the increased emphasis on 'new challenges' and development of the broadband infrastructure. These include targets relating to measure 121 - 'the modernisation of agricultural holdings' (1,588 farms receiving support for investment in the restructuring of milk production or change in the production profile of farms); measure 125 - 'infrastructure related to the development and adaptation of agriculture and forestry' (80 supported projects for rational use of water and improved water storage); measure 214 - 'agri-environment payments' (3,000 farm holdings supported in relation to protection of biodiversity, covering an extra 8000 ha of permanent grassland); measure 321 - 'basic services for the economy and rural population' (20 projects in relation to installation/infrastructure for biomass production and renewable energy sources); measure 321 - (295 projects supported in relation to creation and enabling access to broadband infrastructure). Detailed information on impact indicators for individual measures is provided in the RDP indicator tables.



RDP budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding) of €24,826,711,292



The RDP budget allocations are broadly divided into four main areas of expenditure, known as axes (namely: Improving the competitiveness of the agricultural and forestry sector; Improving the environment and the countryside; Quality of life in rural areas and diversification of the rural economy; and 'leader'). Approximately 53% of the updated RDP budget in Poland is allocated to axis 1 (€13,123.16 million); 22% to axis 2 (€5,377.11 million), 20% to axis 3 (€4,869.22 million) and 5% to axis 4 (€1190.62 million), with 1% available to fund 'technical assistance' (€266.6 million).

Within axis 1, National/Regional public funding represents an approximate 14% share of the axis funding; EAFRD 43%; and private funds 43%.

Within axis 2, National/Regional public funding represents an approximate 20% share of the axis funding; EAFRD 80%; and private funds 0%.

Within axis 3, National/Regional public funding represents an approximate 18% share of the axis funding; EAFRD 54% and private funds 28%.

Within axis 4, National/Regional public funding represents an approximate 13% share of the axis funding; EAFRD 53%; and private funds 34%.

Within technical assistance, National//Regional public funding represents an approximate 25% share of the technical assistance funding and EAFRD 75%.



As a consequence of the 2009 RDP amendments, Poland has been assigned a total of \in 187,655,555 (including \in 168,890,000 EAFRD and a further \in 18,765,555 national public funds), targeted at initiatives to address 'new challenges' and develop the broadband infrastructure as outlined above.

Axis Information²

Axis 1 objectives: Improving the competitiveness of the agricultural and forestry sector

<u>Overall Objective</u>: To provide adequate support to cover the costs of agricultural holdings' adjustment to increasing EU requirements (including environmental protection and competitive pressures).

Sub-Objectives:

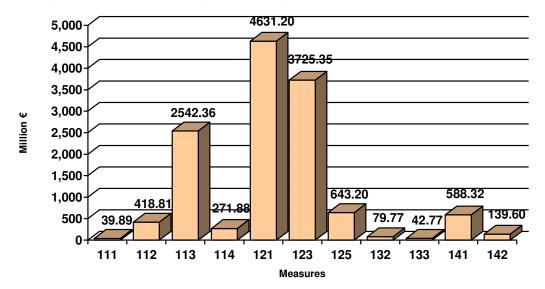
- Support the restructuring of agricultural holdings and strengthen their potential, with the possibility of limiting support for the largest holdings;
- Improve food industry competitiveness, particularly as regards to micro and small enterprises and support primary agricultural production;
- Support quality production methods, rural infrastructure improvement and the settingup of agricultural producer groups;
- Enhance the viability and competitiveness of farms;
- Increase education levels and skills improvement;
- Improve the competitiveness of agriculture;
- Modernise agricultural production, contribute to the diversification of the arable-sector and ensure compliance with relevant requirements of the EU.

The result and output indicator targets which are being used to assess the measures within this axis include: measure 121 - 'modernisation of agricultural holdings' (45,716 holdings introducing new products or techniques including 1183 added as a result of the 2009 amendments to the RDP); and measure 123 - 'adding value to agricultural and forestry products' (254 holdings introducing new products or techniques).

Specific modifications to results indicators have been made to take account of the 2009 amendments to the RDP. Modifications to overall RDP output-indicator targets include measure 121 (1,588 farms receiving support for investment in restructuring of milk production or change in the production profile of farms); and measure 125 - 'infrastructure related to the development and adaptation of agriculture and forestry' (80 projects supported for rational use of water and improved water storage). For further information on output-indicator targets please refer to the impact indicators table in the RDP programme.

² A full list of the RDP measures can be found in Annex I.





Axis 1 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €13,123,158,533³

Following the latest RDP update, the total budget amount for axis 1 is \in 13,123,158,533, including an additional \in 106,667,222 (\in 96,000,500 EAFRD + \in 10,666,722 national/public funds) targeted at actions including those outlined above.

Axis 2 objectives: Improving the environment and the countryside

<u>Overall Objective</u>: To conserve and improve natural habitats and species sanctuaries constituting the public good.

Sub-Objectives:

- To promote sustainable management, appropriate use of soils and water protection, land structure management and the restoration or conservation of valuable habitats used for agricultural purposes;
- To promote the preservation and good condition of the environment in rural areas, including achieving and maintaining the good condition of water and soil;
- To avoid marginalisation and abandonment of agricultural activity within arable land areas of low quality.

The result and output indicator targets which are being used to assess the measures within this axis include: measure 211 - 'natural handicap payments for farmers in mountain areas', combined with 212 - 'payments to farmers in areas with handicaps other than mountain areas', (16,811,708 ha under successful land management in relation to natural handicap payments to farmers in mountain and less favoured areas); and measure 214 - 'agri-environment payments' (16,811,708 ha under successful land management in relation to this measure).

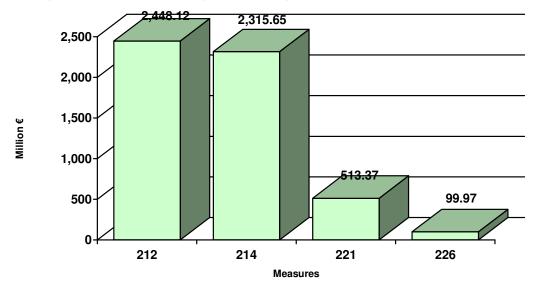
Specific modifications to results indicators have been made to take account of the 2009

³ Please note that for measures 111, 112, 113, 125, 132, 141 and 142 no private spending has been allocated.



amendments to the RDP. Modifications to overall RDP output-indicator targets include measure 214 (3,000 farm holdings supported in relation to protection of biodiversity). For further information on output-indicator targets, please refer to the impact indicators table in the RDP programme.

Axis 2 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €5,377,112,631⁴



Following the latest RDP update, the total budget amount for axis 2 is \in 5,337,112,631, including an additional \in 11,111,111 (\in 10,000,000 EAFRD + \in 1,111,111 national/public funds) targeted at actions including those outlined above.

Axis 3 objectives: Quality of life in rural areas and diversification of the rural economy

Overall Objective: To improve the quality of life in rural areas.

Sub-Objectives:

- To encourage economic activity in rural areas;
- To reduce hidden unemployment, enlarge farm size, modernise farms, improve competitiveness as well as the market orientation of production;
- To ensure employment and income through the development of non-agricultural activities;
- To support rural renewal, and improve the cultural and natural heritage.

The result and output indicator targets which are being used to assess the measures within this axis include: measure 312 - 'support for business creation and development' (28,670 jobs created in relation to establishment and development of micro-enterprises); measure 321 - 'basic services for the economy and rural population' (8,642,600 inhabitants living in rural areas

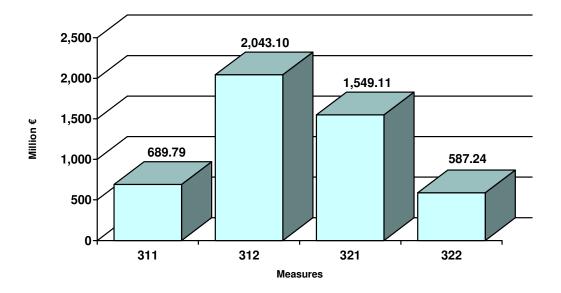
⁴ For measures 212, 214, 221 and 226 no private spending has been allocated.



and using improved services).

Specific modifications to results indicators have been made to take account of the 2009 amendments to the RDP. Modifications to overall RDP output-indicator targets include: measure 321 (20 projects in relation to installation / infrastructure for biomass production and renewable energy sources); and measure 321 (295 projects supported in relation to creation and enabling access to broadband infrastructure). For further information on output-indicator targets please refer to the impact indicators table in the RDP programme.

Axis 3 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €4,869,224,742⁵



Following the latest RDP update, the total budget amount for axis 3 is \leq 4,869,224,742, including an additional \leq 69,877,222 (\leq 62,889,500 EAFRD + \leq 6,987,722 national/public funds) targeted at actions including those outlined above.

Axis 4 objectives: Leader

<u>Overall Objective</u>: To mobilise the rural population through social capital building initiatives, increase the potential for acquisition and use of financial resources, and improve the management and capacity of local resources.

Sub-Objectives:

- To increase the quality of management and contribute to the strengthening of social capital in rural communities, which will also encourage the application of local innovative solutions for rural development;
- To strengthen social capital in rural areas and to improve self-organisation and

⁵ For measures 321 and 322 no private spending has been allocated.

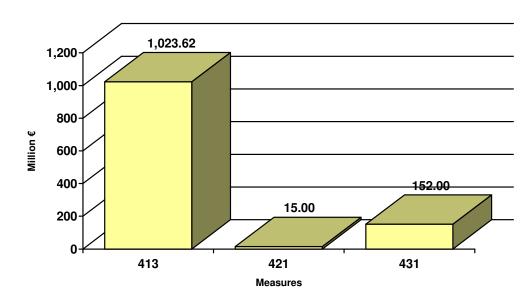


management at a local level.

The result and output indicator targets which are being used to assess the measures within this axis include: measure 413 - 'quality of life/diversificaton' (3000 jobs created in relation to developing local development strategies); measure 431 - 'running the local action group, skills acquisition, animation' (8,200 participants successfully completing training courses in relation to running local action groups [LAGs], acquiring skills and animating the territory).

The number of LAGs operational in the RDP areas as of March 2010 was 338.

No modifications were made to axis 4 during the 2009 RDP update.



Axis 4 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €1,190,615,385⁶

Monitoring and evaluation strategy

In order to obtain data on the progress and effects of the RDP implementation with regard to the defined objectives, the RDP will be monitored by the following bodies: the Managing Authority, Monitoring Committee, Paying Agency and institutions involved in the implementation of specific measures. Monitoring will be carried out on the basis of the results of pre-defined input, output, result and impact indicators.

On the basis of compiled data, the implementing institutions will prepare current and interim reports, including annual progress reports on the implementation of the measures. Monitoring indicators have been defined for the RDP in accordance with the guidelines of the Common Monitoring and Evaluation Framework (CMEF), as well as taking into account the specific character of particular measures under the RDP. The indicators shall be used to measure the

⁶ For measures 421 and 431 no private spending has been allocated.



progress, effectiveness and efficiency of the Programme implementation, in respect of its objectives. Data required for monitoring purposes shall be collected at the level of different projects, measures and priority axes.

By June 30th of each year, the Managing Authority shall submit a progress report to the European Commission. Programme implementation will also be subject to on-going evaluation and interim evaluations: ex-ante, mid-term and ex-post. Evaluations are intended to improve the quality, efficiency and effectiveness of the implementation of the Programme as well as highlight areas which require modification.

Communication and publicity

Main objectives:

- To ensure permanent and direct access to detailed information on funding possibilities and the rules of granting aid, especially in relation to:
 - the description of procedures applied during the examination of applications for financing;
 - o conditions and criteria of qualification, upon the selection and evaluation of projects;
 - description of the administrative procedures to be observed while applying for finance under the Programme.
- To ensure permanent and direct access to information about the RDP, its method of implementation and results achieved for the relevant institutions, including: social and economic partners, non-governmental institutions and sector associations and unions, as well as institutions related to the agricultural sector and rural areas;
- To disseminate information among interested circles on the EU's contribution to the RDP.

The communication plan is focused on the following target groups:

- Potential beneficiaries;
- Social and economic partners;
- Institutions directly and indirectly involved in the implementation of the Programme;
- Institutions, organisations and associations whose activities are directly or indirectly related to the agricultural sector and rural areas;
- Local government units and government administration units;
- Non-governmental organisations, including environmental organisations
- Mass media;
- European Information Centres;
- The general public.

Information actions will use the following support:

- Training, conferences, seminars;
- Published materials;
- Cooperation within the National Network of Rural Areas;
- Information desks;
- Electronic information.



Annex I – Measures

Measures selected by the RDP Measures selected by the updated RDP					
		111	Vocational training and information actions		
Axis 1 - Improving the competitiveness of the agricultural and forestry sector	Promoting knowledge and improving human potential	112	Setting up of young farmers		
		113	Early retirement		
		114	Use of advisory services		
		115	Setting up of management, relief and advisory services		
	Restructuring and developing physical potential and promoting innovation	121	Modernisation of agricultural holdings		
		122	Improvement of the economic value of forests		
		123	Adding value to agricultural and forestry products		
		124	Cooperation for development of new products, processes and technologies in the agriculture and food sector and in the forestry sector		
		125	Infrastructure related to the development and adaptation of agriculture and forestry		
		126	Restoring agricultural production potential		
id D	Quality of agricultural production and products	131	Meeting standards based on Community legislation		
1 - Im Ie agr		132	Participation of farmers in food quality schemes		
		133	Information and promotion activities		
Axis th	Transitional measures	141	Semi-subsistence farming		
		142	Producer groups		
		143	Providing farm advisory and extension services		
	Sustainable use of agricultural land	211	Natural handicap payments to farmers in mountain areas		
e e		212	Payments to farmers in areas with handicaps, other than mountain areas		
승규		213	Natura 2000 payments and payments linked to Directive 2000/60/EC		
oving and side		214	Agri-environment payments		
		215	Animal welfare payments		
žut		216	Non-productive investments		
Axis 2 - Improving the environment and the countryside	Sustainable use of forestry land	221	First afforestation of agricultural land		
		222	First establishment of agroforestry systems on agricultural land		
		223	First afforestation of non-agricultural land		
		224	Natura 2000 payments		
		225	Forest-environment payments		
		226	Restoring forestry potential and introducing prevention actions		
		227	Non-productive investments		
on_al	Diversify the rural economy	311	Diversification into non-agricultural activities		
of life in rural of life in rural areas and diversification of the rural		312	Support for business creation and development		
	<i>Improve the quality of life in rural areas</i>	313	Encouragement of tourism activities		
r e i sas sif		321	Basic services for the economy and rural population		
of life of life are divers of th		322	Village renewal and development		
e li o		<u>323</u> 331	Conservation and upgrading of the rural heritage		
		221	Training and information		



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		341	Skills-acquisition and animation measure with a view to preparing and implementing a local development strategy
Axis 4 - Leader	Implementing local development strategies	411	Competitiveness
		412	Environment/land management
		413	Quality of life/diversification
		421	Implementing cooperation projects
		431	Running the local action group, skills acquisition, animation