

Rural Development Programme (RDP) of Czech Republic

Program rozvoje venkova ČR – version 16/03/2010
(Rural Development Programme CR)

Relevant Contact Details

Managing Authority Website:

<http://eagri.cz/public/eagri/>

Other useful links:

Rural Development Programme (RDP):

http://enrd.ec.europa.eu/rural-development-policy/country-information/czechrepublic/en/czechrepublic_home_en.cfm

National Strategy Plan (NSP):

<http://www.mze.cz/Index.aspx?ch=74&typ=2&ids=2406&val=2406>

National Rural Network (NRN):

<http://www.mze.cz/index.aspx?ch=74&typ=1&val=43628&ids=2307>



Map of the Czech Republic
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General socio-economic situation in rural areas in Czech Republic

According to the RDP, intermediate and predominantly rural regions (OECD definition) cover 99.4% of the territory of the Czech Republic and comprise over 9 million inhabitants or 88.6% of the Czech population. 67% of the total gross value added (GVA) of the Czech Republic was generated in rural regions in 2005; the tertiary sector had the highest share (56%) followed by the secondary sector with 40.4% and the primary sector with 3.6%. The share of overall employment in rural regions exceeded 87%. The tertiary, secondary and primary sectors had shares of 53.1%, 42% and 4.9% respectively. The major problem faced by rural areas is the stabilisation of the rural population as it is aging more rapidly than the rest of the country because of the emigration of young people to urban centres to obtain jobs and better social infrastructure. Agriculture – with its relatively low share in the total employment (11% in rural areas and 3.8% overall) – has a limited capacity to reverse this trend.

The Czech countryside has significant potential concerning the development of natural and cultural heritage. However, the RDP makes clear that this potential is not yet fully realised. Some of the natural and cultural heritage needs to be better preserved or reconstructed, while some of it is not accessible due to underdeveloped or decaying transport infrastructure. In addition, insufficient water supply, sewage systems, and absence of social services are factors that make villages less attractive for citizens than towns and cities. Low labour productivity due to obsolete technologies, slow knowledge transfer, fragmented and dispersed land ownership are the main factors hindering agricultural competitiveness and has resulted in low incomes for the farming population. Declining biodiversity, unsatisfactory water quality and low water retention capacity of the landscape are critical aspects which illustrate agriculture's impact on the environment. Mitigation of climate change is also becoming a real challenge for Czech society and in response rural areas could potentially play, with the right support, an important role in the reduction of greenhouse gases and production and consumption of renewable energy.

RDP strategic objectives

The RDP's strategic objectives focus on the major factors hindering rural development while responding to long-term challenges like climate change or unfavourable demographic development of rural areas as summarised above. The RDP strategy aims at mobilising human, financial, physical and natural resources in rural areas in order to improve agricultural competitiveness, to diversify agricultural commodity production into quality food products, traditional handicrafts, rural tourism and other more competitive non-agricultural productions and services, to improve rural environment, natural heritage, and forest management, and to enhance rural infrastructure, social services and the quality of life in general. Job creation, stabilisation of rural population, and production and use of renewable energy are priority objectives.

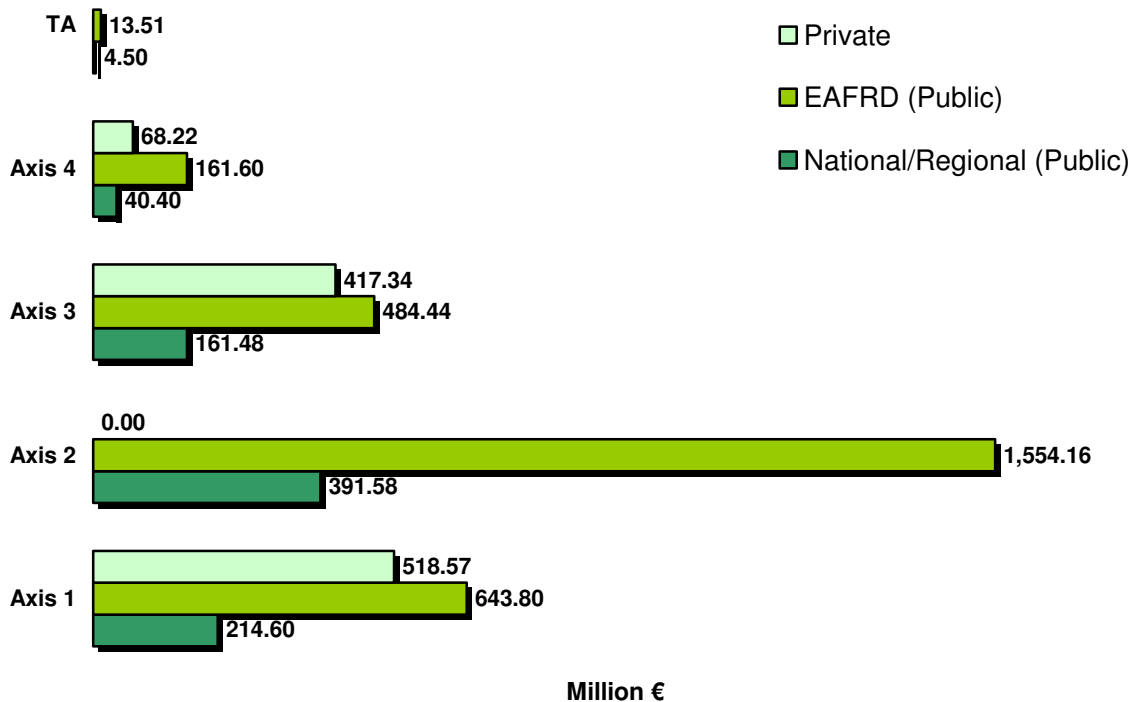
In recognition of the greater emphasis now being given to the 'new challenges' facing agriculture and rural areas, the revised RDP was approved in 2010 to take account of additional financing provided by the CAP Health Check, Modulation and the European Economic Recovery Package. This reinforced RDP efforts in areas such as climate change (which received 35% of the additional RDP funds), renewable energy (19%) water management (16%) and measures accompanying the restructuring of the dairy sector (30%).

Expected impact / outcomes of the policies

The ex-ante evaluation of this RDP concludes that there is satisfactory balance among measures and outcomes particularly in respect to the balance between nature and environment (axis 2) on the one hand, and competitiveness and entrepreneurship on the other hand (axes 1 and 3). The competitiveness of the agricultural and food sectors will be improved while respecting the environment, conserving and further enhancing environmental and cultural values of the Czech landscape. There will be an increase of opportunities for the development of rural tourism, which will also be supported through the respective axis 3 measures. During the programming period 2007-2013, the support to non-agricultural diversification and micro-enterprises and to the rural infrastructure and the renewal of villages is expected to create 22,000 new jobs and more than 600,000 people will likely benefit directly or indirectly from these types of measures. Net value added created by axis 3 measures amounts to €3.4 million – about 0.5% of the resources spent).

Specific modifications to output-indicator targets for the measures have been made to take into account the 2010 RDP amendments. This includes targets relating to improvement of manure storage (measure 121); preventive mechanisms against adverse effects of climate-related extreme events (measure 121), improvement of energy efficiency (measures 121 and 123); investments into dairy sector (measures 121 and 123); installations for waste water treatment in processing and marketing of agricultural and food products (measure 123), water storage (measure 125); processing of agricultural / forest biomass for renewable energy and installations for renewable energy (measures 311 and 312). Detailed information on output-indicator targets for individual measures is provided in the RDP indicator tables.

RDP budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding) of €4,674,202,510



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 29.46% of the overall RDP budget for the Czech Republic is allocated to axis 1 (€1,376.97 million); Approximately 41.63% is allocated to axis 2 (€1,945.74 million), 22.75% to axis 3 (€1,063.26 million) and 5.78% to axis 4 (€270.22 million), with 0.39% available to fund Technical Assistance (€18.02 million).

Within axis 1, National public funding represents approximately 15.58% share of the axis funding; EAFRD 46.75%; and private funds 37.66%.

Within axis 2, National public funding represents approximately 20.12% share of the axis funding; EAFRD 79.88%; and private funds 0%.

Within axis 3, National public funding represents approximately 15.19% share of the axis funding; EAFRD 45.56% and private funds 39.25%.

Within axis 4, National public funding represents approximately 14.95% share of the axis funding; EAFRD 59.80%; and private funds 25.25%.

Within technical assistance, National public funding represents approximately 25% share of the

technical assistance funding and EAFRD 75%.

As a consequence of amendments to the RDP in 2010, the Czech Republic has been assigned a total of €56.00 million (including €42.00 million EAFRD and a further €14.00 million national public funds) to support 'new challenges' (climate change, renewable energy, water management and measures supporting the restructuring of the dairy sector).

Axis Information¹

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

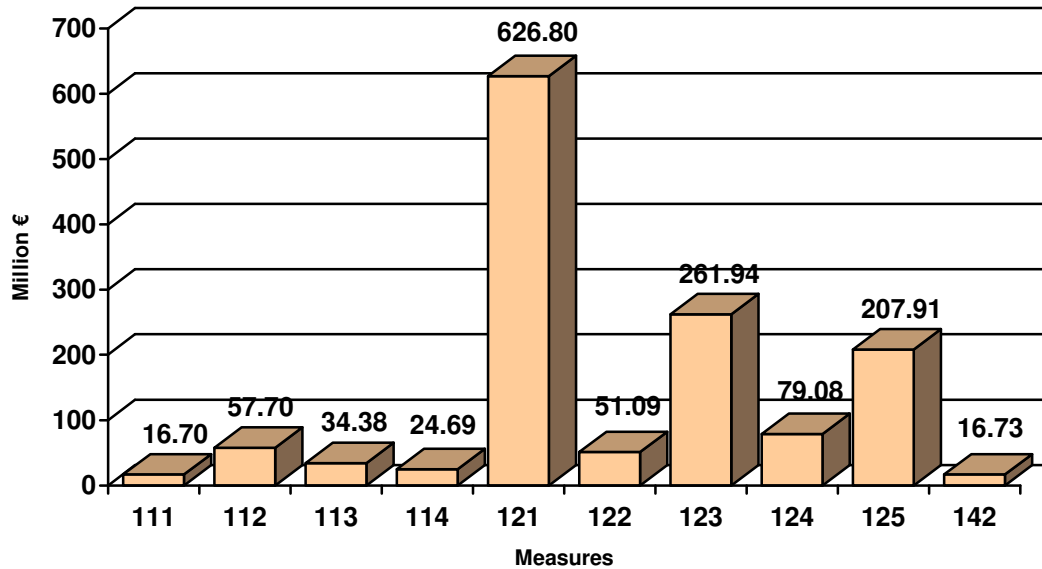
Axis 1 is aimed at supporting the competitiveness of agriculture and forestry and at strengthening the dynamics of enterprises in agriculture and the downstream food industry. The axis is divided into priorities. The priority 'Modernisation, innovation and quality' encompasses groups of measures targeted at the improvement of the use of technology in farms in order to increase productivity and efficiency while taking into account growing societal concern regarding the environment, animal welfare and their activities. Furthermore, it includes measures aimed improving the quality and related added value of agricultural and food products, forest management and land consolidation. The priority 'Knowledge transfer' includes groups of measures concerning support to vocational training and use of advisory services for entrepreneurs in agriculture, food and forestry industries, together with additional measures providing incentives for young farmers and early retirement..

Specific modifications to output-indicator targets have been made to take account of the RDP amendments approved in 2010. This includes new targets at measure level such as: 85 holdings supported in relation to improvement of manure storage (measure 121); 10 holdings supported for improvement of energy efficiency (measure 121), 40 holdings supported in relation to preventive mechanisms against adverse effects of climate-related extreme events (measure 121), 80 holdings supported in relation to investments to dairy production (measure 121); 10 holdings supported for improvement of energy efficiency (measure 123); 5 holdings supported for installations for waste water treatment in processing and marketing of agricultural and food products (measure 123), 35 holdings supported for improvements in processing and marketing relating to dairy (measure 123) and 20 operations supported to improve water storage (measure 125).

For further information on output-indicator targets please refer to the impact indicators table in the RDP programme.

¹ 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 €1,376,969,955²



Following the RDP update approved in 2010, the total budget amount for axis 1 is €1,376,969,955 including an additional €45,640,000 (€34,230,000 EAFRD + €11,410,000, national public) which is ring-fenced to fund the types of new measure level operations noted above.

Axis 2 objectives: Improving the environment and the countryside

Axis 2 is split into three closely related priorities. The priority titled 'Biodiversity, conservation and development of agricultural and forestry systems with a high natural value and traditional agricultural landscapes' includes measure promoting environmentally friendly farming methods leading to enhanced biodiversity and to the preservation of rural landscape, and measures promoting the protection of agricultural land and of forest areas of high natural value. The 'Water and soil protection' priority supports the preservation of water quality in rural aquatic environments via use of sustainable agricultural methods. Protection of the quality of surface and ground water sources, and erosion control are the main objectives of this priority. The 'Mitigation of climate change' priority promotes recovery and preservation of forests as the potential source of renewable energy and their possible expansion through afforestation of poor agricultural land.

There were no modifications in relation to axis 2 following the 2010 RDP update.

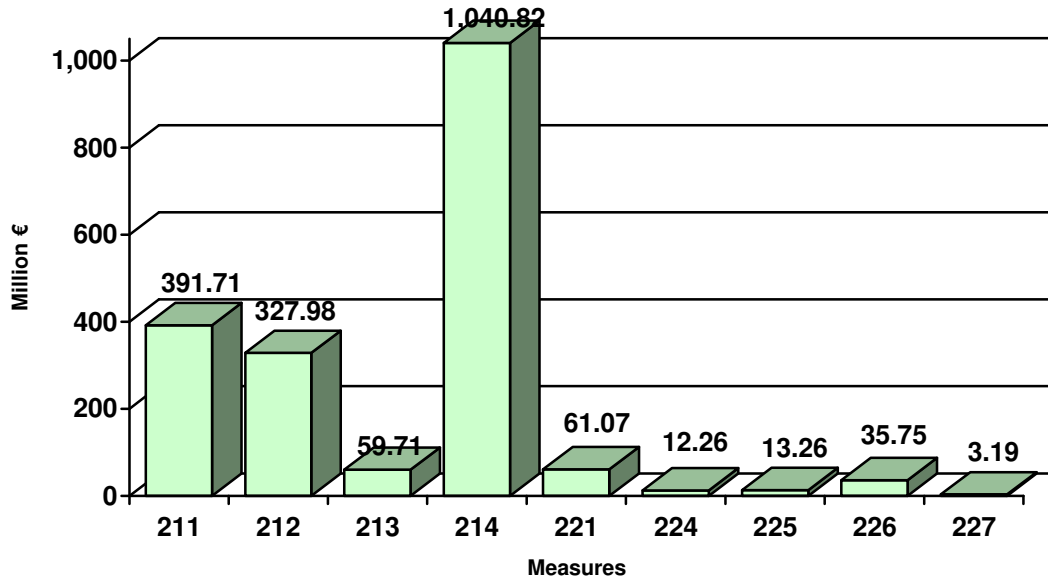
² Please note that for measures 112, 113, and 142, no private spending has been allocated.

³ For measures 211, 212, 213, 214, 221, 224, 225, 226 and 227 no private spending has been allocated.

⁴ For measure 331 no private spending has been allocated.

⁵ For measure 421 and 431 no private spending has been allocated.

Axis 2 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €1,945,738,851³

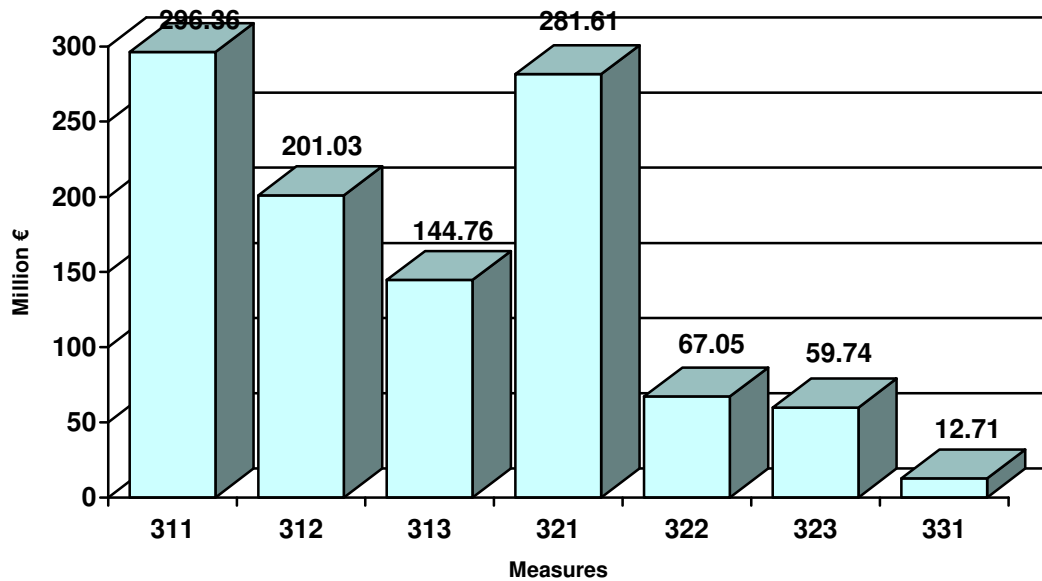


Axis 3 objectives: Quality of life in rural areas and diversification of the rural economy

There are three priorities under axis 3 in the Czech RDP. The priority titled 'Creation of employment opportunities and encouragement of renewable energy sources' places its main emphasis on diversification of agricultural activities, establishment of rural micro-enterprises and support to tourism. The promotion of energy self-sufficiency in rural areas is important in this priority, since it should significantly contribute to the Czech Republic's commitments to achieve 8% of energy from renewable resources. The 'Conditions for growth and quality of life in the countryside' priority focuses on improving rural infrastructure including sewage water cleaning, extending and enhancing social services, and preserving the cultural heritage. The 'Education' priority is aimed at enhancing knowledge and skills of rural entrepreneurs.

Specific modifications to output-indicator targets have been made to take account of the amendments to the RDP in 2010. This includes new measure level targets such as: 10 beneficiaries supported for processing of agricultural / forest biomass for renewable energy (measure 311); 4 beneficiaries supported for installations for renewable energy using biomass and other renewable energy sources (measure 311); 30 beneficiaries supported for processing of agriculture / forest biomass for renewable energy (measure 312) and 4 beneficiaries supported for installations for renewable energy using biomass and other renewable energy sources (measure 312). 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 €1,063,257,253⁴



Following the 2010 RDP update, the total budget amount for axis 3 is €1,063,257,253 including an additional €10,360,000 (€7,770,000 EAFRD + €2,590,000 national public). The additional finance is being targeted at support for the types of new measure level operations noted above.

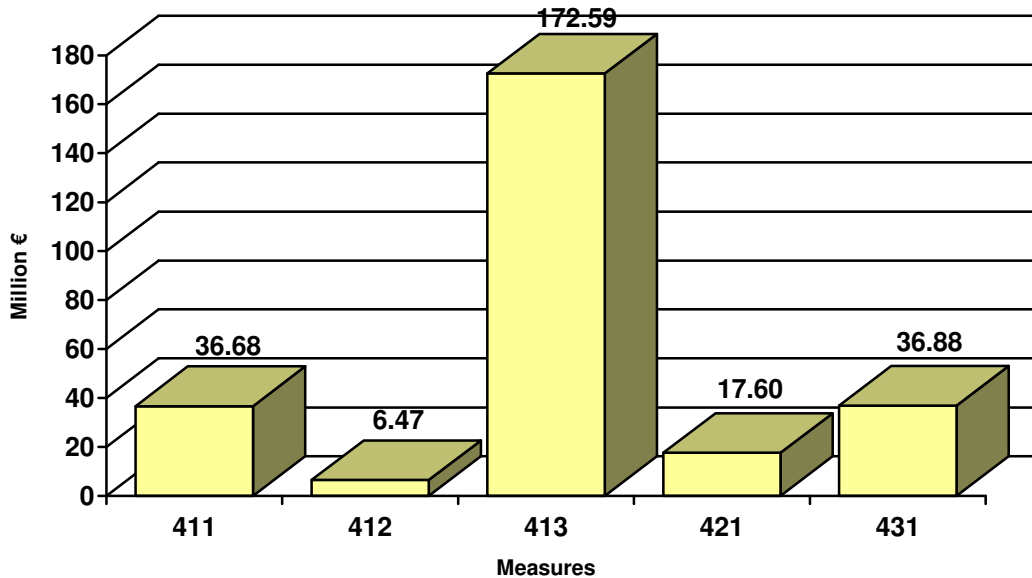
Axis 4 objectives: Leader

The goal of axis 4 - Leader is to mobilise human and social capital in rural settlements in order to enhance social and economic sustainability of rural areas, to improve the quality of life and to strengthen the utilisation of rural natural and cultural heritage. Local Action Groups are the base for the set up of public-private partnerships able to outline development goals within rural regions and related strategies to achieve such goals. Leader is complementary to the other three axes to ensure that the wider rural population benefits from the rural development measures.

The number of LAGs selected for the support under the RDP as of March 2010 was 112.

There are no modifications in relation to axis 4 following the 2010 RDP update.

Axis 4 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €270,217,211⁵



Monitoring and evaluation strategy

Monitoring of the RDP is provided by the RDP Managing Authority (MA) according to Art. 75 of the Council Regulation (EC) No. 1698/2005, and by the RDP Monitoring Committee which oversees the programme implementation in compliance with Articles 77–70 of the Council Regulation (EC) No. 1698/2005. The monitoring system checks the RDP implementation at project level and is interconnected with the Ministry of Agriculture and the Ministry of Finance information system. The RDP Monitoring Committee has been set up by the Ministry of Agriculture and comprises representatives of the Ministry, other governmental organisations, farmer associations and NGOs. On the basis of the documents presented by the MA, the Monitoring Committee regularly evaluates the achievement of operational and specific goals as stated in the programme document. The Monitoring Committee might ask for re-inspection of the presented implementation outputs in respect to axes objectives if necessary. It approves as well annual reports, mid-term and final reports on progress before sending them to the Commission.

The annual progress reports contain a review of any changes in general and implementation conditions, a report on achievements based on output and result indicators of common monitoring and evaluation framework (CMEF), and a report on financial implementation of the RDP including the expenditures paid to beneficiaries for each measure. It must also include an overview of the main problems found in managing the RDP and steps undertaken by the MA and the Monitoring Committee to ensure quality and effectiveness of implementation. The MA defines the requirements for the structure and data needed, while the paying agency (State Agricultural Intervention Fund) supports beneficiaries and provides data on the basis of an agreement on the provision of data. This particularly concerns quantitative indicators; qualitative information is collected from specialised third parties.

The RDP is evaluated ex ante, in the mid-period and ex-post in compliance with Articles 84–87 of

Council Regulation (EC) No. 1698/2005. The evaluation is performed by independent evaluators appointed by the Czech government. The respective Commission guidelines (CMEF) will be followed during RDP evaluations.

Communication and publicity

The MA is responsible for publicising the RDP, with the aim to spread information of the measures and support provided, to raise awareness about opportunities for potential beneficiaries and application procedures, and to communicate general and specific benefits of the RDP to the public. The main target groups are potential beneficiaries (agricultural primary producers, regional and local authorities and their respective public institutions), economic and social partners in rural development, NGOs dealing with rural development and environmental protection, public administration involved with agriculture and food industry, farmer associations, agricultural universities and colleges and research institutions. The website of the Ministry of Agriculture and the State Agricultural Intervention Fund, information leaflets, professional journals, newspapers, special seminars and meetings are the main communication tools; radio, television, general newspapers and magazines will be used as well.

Annex I – measures

Measures selected by the RDP Measures selected by the updated RDP

Axis 1 - Improving the competitiveness of the agricultural and forestry sector	<i>Promoting knowledge and improving human potential</i>	111	Vocational training and information actions
		112	Setting up of young farmers
		113	Early retirement
		114	Use of advisory services
		115	Setting up of management, relief and advisory services
	<i>Restructuring and developing physical potential and promoting innovation</i>	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
	<i>Quality of agricultural production and products</i>	131	Meeting standards based on EU legislation
		132	Participation of farmers in food quality schemes
		133	Information and promotion activities
<i>Transitional measures</i>	141	Semi-subsistence farming	
	142	Producer groups	
	143	Providing farm advisory and extension services	
Axis 2 - Improving the environment and the countryside	<i>Sustainable use of agricultural land</i>	211	Natural handicap payments to farmers in mountain areas
		212	Payments to farmers in areas with handicaps, other than mountain areas
		213	Natura 2000 payments and payments linked to Directive 2000/60/EC
		214	Agri-environment payments
		215	Animal welfare payments
		216	Non-productive investments
	<i>Sustainable use of forestry land</i>	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
Axis 3 - Quality of life in rural areas and diversification of the rural economy	<i>Diversify the rural economy</i>	311	Diversification into non-agricultural activities
		312	Support for business creation and development
		313	Encouragement of tourism activities
	<i>Improve the quality of life in rural areas</i>	321	Basic services for the economy and rural population
		322	Village renewal and development
		323	Conservation and upgrading of the rural heritage
		331	Training and information
341	Skills-acquisition and animation measure with a view to preparing and implementing a local development strategy		
Axis 4 - Leader	<i>Implementing local development strategies</i>	411	Competitiveness
		412	Environment/land management
		413	Quality of life/diversification
		421	Implementing cooperation projects
		431	Running the local action group, skills acquisition, animation