

Rural Development Programme (RDP) of Hessen, Germany

Entwicklungsplan für den ländlichen Raum des Landes Hessen (EPLR) 2007-2013 – CCI2007DE06RPD010¹

(Development plan for Rural Areas of the State of Hessen 2007-2013)

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http://www.hmuelv.hessen.de/irj/HMULV_Internet?cid=5290417c6c3762152735f27223759435

Other useful links:

Rural Development Programme (RDP):
http://enrd.ec.europa.eu/rural-development-policy/country-information/germany/en/germany_home_en.cfm

German National Rural Network (NRN):
<http://www.netzwerk-laendlicher-raum.de/>



Map of Hessen

(© European Commission)

General socio-economic situation in rural areas in Hessen

Hessen covers an area of 21,115km² and has a population of 6.1 million inhabitants. It is located in the middle of Germany and is surrounded by 6 other German Länder. Hessen has no direct border to other Member States. Population density in Hessen is high – 289 people/km². However, there is in-migration to the southern part and out-migration from peripheral regions to regions with higher economic activity in the southern part. Hessen has a GDP per capita of €35,701 on an overall level, but this differs greatly from north to south in Hessen. The unemployment rate in January 2010 was 7%. 42.6% of the land is used for agriculture and about 40% is covered by forests.

Its central location in Europe, close to consumers with high purchasing power is its main strength together with a high level of economic activity. Other strengths include large areas covered by forests, the potential for biomass usage, extensive land use and related well-developed landscape, and extensive experience on integrated development concepts. Weaknesses include out-migration from the northern and middle part of Hessen as well as skewed distribution of income, a high level of commuting, lower productivity and lower educational level in the north, intensive agricultural land use in some regions and a high share of non competitive farms. Moreover, there is a lack of

¹ Latest updated RDP, following the adoption of the Health Check and European Economic Recovery Package and additional funds from Modulation (i.e. adjustments between Pillar 1 (Agriculture) & 2 (Rural Development) of the Common Agricultural Policy (CAP).

competitiveness in food-producing firms and infrastructural problems.

Following the CAP Health Check, the amended RDP highlights in its strategy biodiversity and measures compensating for the loss of obligatory set-aside.

A total amount of €32.5 million EU contribution from the Health Check and the European Economic Recovery Package is allocated to agri-environment payments (measure 214), foreseen for measures matching particularly the 'new challenges' (climate change, water management, new product development, etc.).

Regarding the improvement of broadband connections in rural areas of Hessen, there has been support via a special national broadband support concept since 2006, and EAFRD support for related advisory services between 2009 and 2013. Currently, there is no further support scheme related to the RDP envisaged.

There are budget transfers between axes/measures justified by (a) changed eligibility criteria leading to budget increase, and (b) budget overestimation leading to budget decrease. For measure-related amendments under axes 1-4 see 'Axis information'.

In line with the revised German National Strategy Plan, EAFRD contribution in Hessen is reduced by €25,689 for the Modulation money existing; thus, the new EAFRD contribution for this non-convergence region is €218,346,763 in the support period 2007-2013 plus the amount of €32.5 million from the HC and RP, in total €250,864,129 .

RDP strategic objectives

The RDP's main strategic goal is to generate an integrated development of the rural areas with a multifunctional, sustainable and competitive agriculture and forestry sector. By analysing the strengths and weaknesses of the rural development in Hessen, the following objectives have been ranked by priority:

- 1) Improving the occupational structure in agricultural, forestry and nutrition businesses to make them more competitive within the globalized market economy in the medium and long run
- 2) Reducing regional disparities between the different rural areas and limiting the out-migration by reactivating socially excluded people in the small villages
- 3) Tackling environmental problems and fulfilling environmental obligations according to the EU Strategic Guidelines, like Natura 2000 and the Water Framework Directive

The RDP is coherent with the German national strategic Rural Development Programme (RDP), encompassing enhanced competitiveness and educational level, safeguarding landscapes, and maintaining and improving the quality of life in rural areas.

Taking into account the additional financing provided by the CAP Health Check and the European Economic Recovery Package (total amount of €32.5 million), greater strategic priority is given to initiatives under agri-environmental payments matching particularly the 'new challenges': measures to improve water management (approximately 8.6%), measures to improve biodiversity (77.6%),

² For quantification see details on indicators under 'Axis information'.

³ A full list of the RDP measures can be found in Annex I.

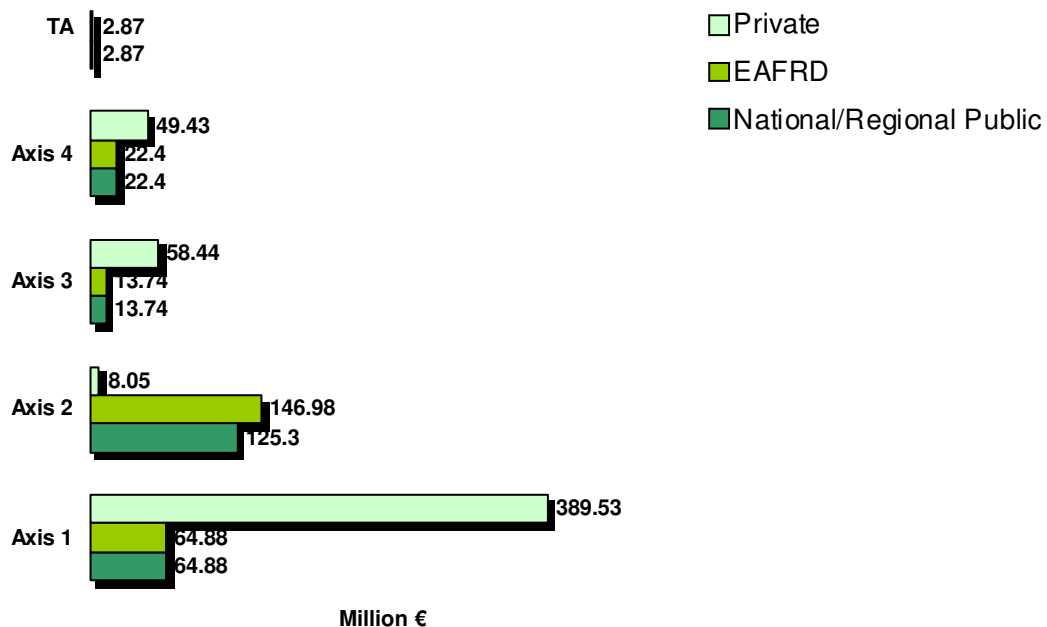
and support of extensive pasture management as a measure accompanying the re-structuring of the milk sector (13.8%).

Expected impact / outcomes of the policies

Expected outcomes include improvement of production in agriculture and forestry, better working conditions, reduced production costs, increased value added in the holdings, preservation of natural resources, fulfilled requirements related to animal welfare and environmental protection, as well as strengthened rural areas through spill-over effects. Moreover expected outcomes include sustainable land management in areas with handicaps and coupled payments for grassland to livestock breeding. It is also expected to develop additional sources of income for agricultural holdings, mainly in the areas of bio-energy, rural tourism and local services. Finally it is expected to increase mobilisation of endogenous development potential, as well as to improve regional cooperation and dissemination of innovative approaches.²

Modifications to indicators have been done according to the RDP modifications in 2008 and 2009. Common basis indicator have been updated to 2006/2005.

RDP budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding) of €985,503,523



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 52.7% of the overall RDP budget in Hessen, including the private expenditures, is allocated to axis 1 (€519.29 million); approximately 28.4% to axis 2 (€280.33 mil-

lion), 8.7% to axis 3 (€85.91 million) and 9.6% to axis 4 (€94.23 million), with 0.6% available to fund Technical Assistance (€5.74 million).

Furthermore, there are national top-ups of €235,386,125 foreseen for axes 1-3 (see section 'Axis information' for sums per axis).

Within axis 1, national/regional public funding represents approximately a 12.5% share of the axis funding; EAFRD 12%; and private funds 75%.

Within axis 2, national/regional public funding represents approximately a 44.7% share of the axis funding; EAFRD 52%; and private funds 2.9%.

Within axis 3, national/regional public funding represents approximately a 15.9% share of the axis funding; EAFRD 16%; and private funds 68%.

Within axis 4, national/regional public funding represents approximately a 23.8% share of the axis funding; EAFRD 24%; and private funds 52.5%.

Within Technical Assistance, national/regional public funding and EAFRD both represent approximately a 50% share.

Additional resources of €32.5 million EU contribution deriving from the Health Check and the European Economic Recovery Package are allocated to measure 214 (particularly measures addressing the 'new challenges').

Following the revision of the German National Strategy Plan, Hessen's EAFRD contribution is reduced by €25,689 for the Modulation money existing. Thus, the new EAFRD contribution for this non-convergence region is fixed to €218,346,763 for the support period 2007-2013. In total, the new budget is amounting to € 250,864,129 including HC and RP.

Axis information³

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

The agricultural, forestry and agro-food sectors will undergo extensive structural changes because of globalisation, demographic changes, strong demand for food quality and food security as well as the reform of the Common Agricultural Policy. Therefore, the activities in axis 1 must contribute to a competitive, strong and dynamic agro-food and forestry sector by focusing on modernisation, innovation and quality in the food chain and giving priority to investments in production facilities. The following objectives are pursued accordingly:

- improving productivity in agriculture and forestry
- improving sales opportunities and market structure
- improving product quality
- improving innovative potential

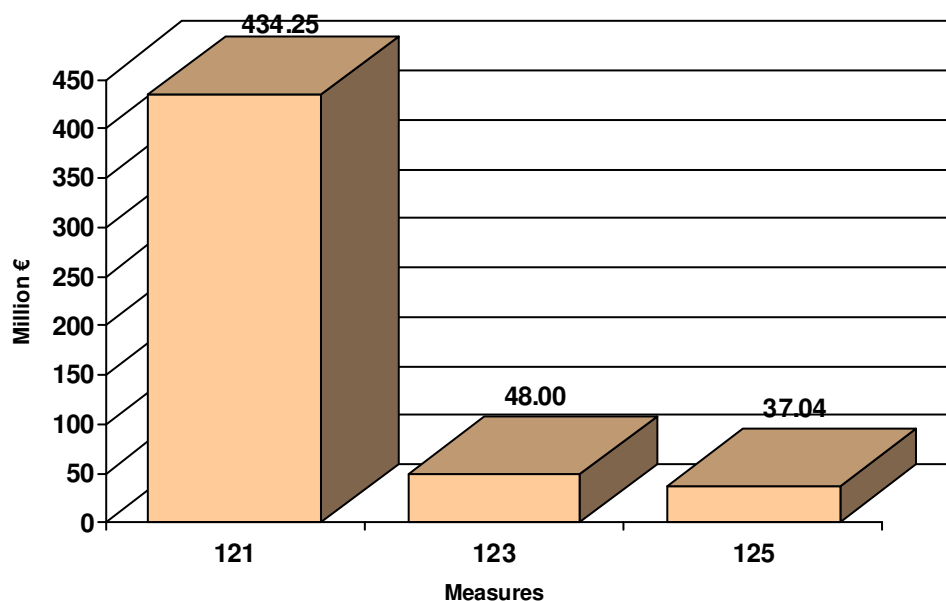
The measures in axis 1 concern the modernisation of agricultural holdings (measure 121), increase of the value of agricultural and forestry products (measure 123), improvement and expansion of infrastructure (measure 125).

Measure 121 covers by far the largest share of axis 1 funds (83.6%). A further 9.2% are targeted at measure 123, and 7.1% to measure 125.

The following modifications to axis 1 result/output indicators have been made to take account of the RDP's 2009 amendment:

- Measure 121 – as an output target – aims at supporting 907 enterprises (approved programme: 787) with a total investment volume of €434 million (approved programme: €378 million) and – as a result target – leading to above-average gross value added for the supported enterprises compared to all agricultural enterprises in Hessen.
- Measure 125: output targets have been increased (a) from 600 to 850 forestry enterprises supported, (b) from 700km to 1,000km of roads, and (c) from 16,000ha to 20,000ha of forest areas to be developed.

Axis 1 indicative budget breakdown by measure: Total allocated budget (including public funds - EAFRD + national co-financing - + private funds) of €519,287,308



Following the RDP's latest update, the total budget amount for axis 1 is €519,287,308.

There are additional national financial resources (top-ups) of €19,045,000 available for axis 1, of which €6,845,000 is allocated to measure 121, and €12,200,000 to measure 125.

The following shifts on the initial budget from axes 2 and 4 to axis 1 have taken place:

- Axis 2 to axis 1: €6 million EAFRD budget are transferred from measure 214 to 121 (in the amended RDP eligibility/selection criteria for measure 121 were changed, thus budget needed to be increased).
- Axis 4 to axis 1: €0.3 million EAFRD budget are transferred from measure 413 to 125 (higher budget needed due to unexpected forest storm damages).

For output/result indicators see above ('Axis 1 objectives').

Axis 2 objectives: Improving the environment and the countryside

The overall target for axis 2 is the sustainable cultivation of the agriculture and forestry area in or-

der to secure a productive, future-orientated land management to the still valuable and multiple landscape elements. The following priorities have been chosen for axis 2:

- preserving the countryside through sustainable farming
- preserving and supporting biodiversity
- improving soil and water conservation

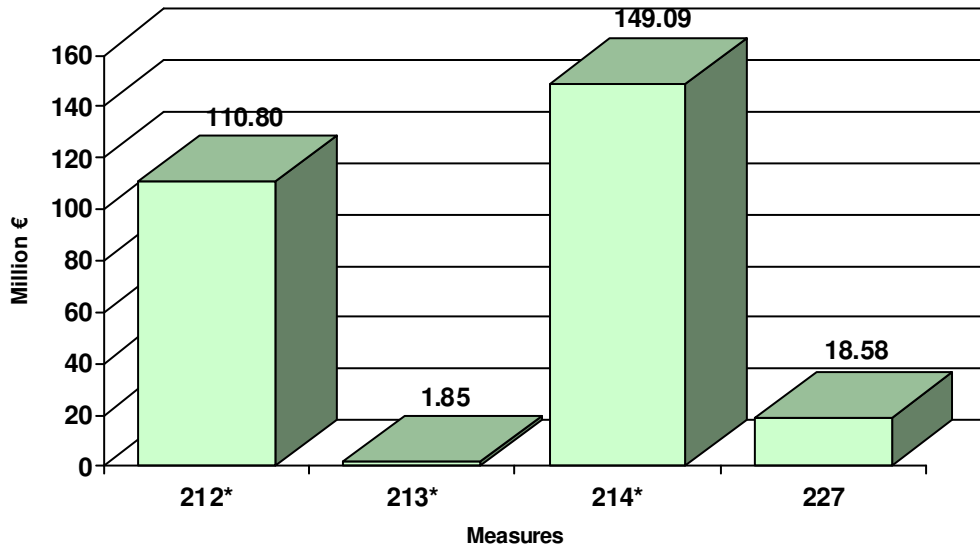
The measures include payments for farmers in less-favoured areas other than mountain areas, agricultural environmental strategies, restoring forestry potential and introducing preventive actions as well as support for non-productive investments (forest restoration). Minimum requirements according to the Water Framework Directive, Nitrate Directive, Fertilizer Directive etc. are taken into account.

Agri-environmental measures (measure 214) dominate support provided under axis 2 with 53.2% of total axis 2 funding. The second largest share of support is targeted at payments to farmers in areas with handicaps, other than mountain areas (measure 212, 39.5%). Non-productive investments (measure 227) accounts for 6.6% of axis 2 funding, while only 0.7% are allocated to Natura 2000 payments and payments linked to Directive 2000/60/EC (measure 213). The latter was introduced with the first RDP modification.

The following modifications to axis 2 result/output indicators have been made to take into account the 2009 amendments to the RDP:

- Introduction of measure 213: Natura2000 payments, output targets fixed (a) 2000 holdings, (b) 10,000 ha of supported area
- Introduction of new sub-measure 214F) Mulching or direct tillage on arable land according to the NF 4.2.1.4. A.3: output targets fixed include (a) 3,000 contracts, (b) 3,000 land users supported, and (c) 45,000ha of supported area.
- Existing measure 214A) Organic farming according to the NF 4.2.1.4. C: (a) increase of targeted contracts from 1,520 to 1,850 and (b) increase of total target area from 62,000ha to 72,000ha.
- Measure 212: specific result indicators not quantified in the approved programme are named in the amended RDP, i.e. (a) 180,000ha of supported areas with risk of erosion and (b) 360,000ha of supported areas not expected to reach a 'good condition' in line with the Water Framework Directive by 2015.

Axis 2 indicative budget breakdown by measure: Total allocated budget (including public funds - national co-financing + EAFRD - + private funds) of €280,325,525



*Measures marked receive no private funding.

Following the RDP's latest update, the total budget amount for axis 2 is €280,325,525.

Additional resources of €32,517,366 EU contribution deriving from the Health Check and the European Economic Recovery Package were allocated to measure 214 (particularly measures addressing the 'new challenges').

There are additional national financial resources (top-ups) of €48.341.126 available for axis 2, which are allocated to measure 214.

The following shifts on the initial budget have taken place:

- Axis 4 to axis 2: €0.7 million EAFRD budget from measure 413 to measure 227 (higher budget needed due to unexpected forest storm damages).
- Within axis 2: €9.31 million EAFRD budget from measure 214 to measure 212 (higher budget needed due to increase of compensation amounts).

For output/result indicators see above ('Axis 2 objectives').

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

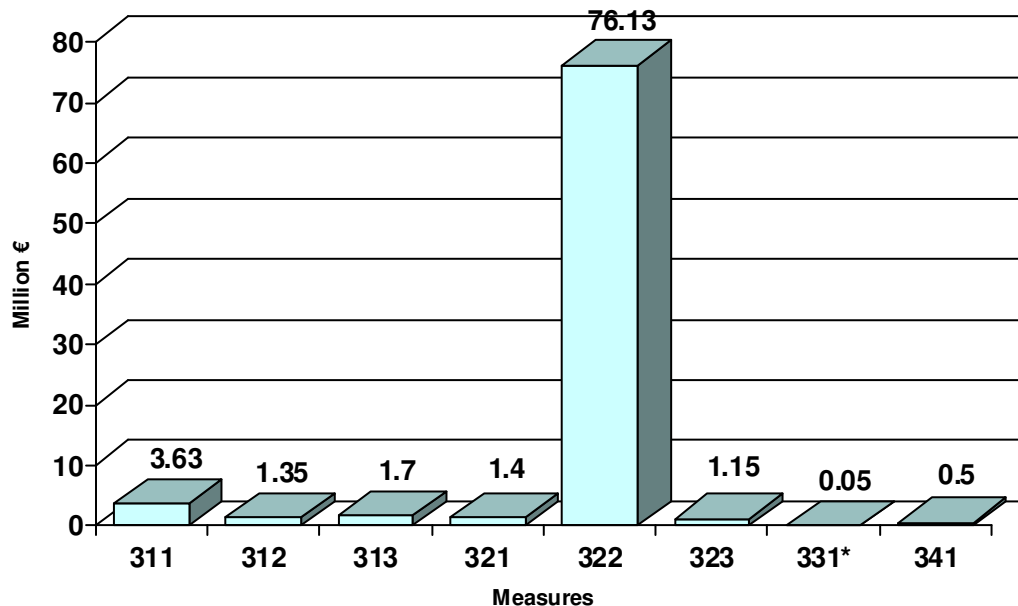
Axis 3 aims at improving the quality of life in rural areas and diversifying the rural economy. It is important to meet the challenges of demographic changes affecting rural areas through:

- securing/creating jobs and incomes
- securing/improving quality of life and future prospects
- preserving/creating a minimum supply of goods and services
- preserving and, if necessary, re-establishing the rural natural and cultural heritage
- preserving/improving the leisure and recreational value of rural areas.

Within axis 3, priority is given to village renewal and development (measure 322) with a share of 88.6% of axis funding. Diversification into non-agricultural activities (Measure 311) follows second with a 4.2% share. Support for business creation and development (measure 312), encouragement of tourism activities (measure 313), basic services for the economy and rural population (measure 321) and conservation and upgrading of the rural heritage (measure 323) account for a share of 1.3-1.9%, while training and information (measure 331) and skills-acquisition and animation measure with a view to preparing and implementing a local development strategy (measure 341) account for only 0.1%, and 0.6% of axis funding respectively. It should be noted that most of axis 3 measures are eligible for support only if they are implemented within a Leader concept.

There are no modifications in relation to axis 3 result/output indicators following the RDP update.

Axis 3 indicative budget breakdown by measure: Total allocated budget (including public funds – national co-financing + EAFRD - + private funds) of €85,911,000



*Measures marked receive no private funding.

Following the RDP's latest update, the total budget amount for axis 3 is €85,911,000.

There are additional national financial resources (top-ups) of €168,000,000 available for axis 3, which are allocated to measure 322.

Aid intensity for measure 341 was increased to 80% in the amended RDP (as the former aid intensity of 70% proved to be insufficient).

There are no modifications in relation to axis 3 result/output indicators following the RDP update.

Axis 4 objectives: Leader

Axis 4 concerns the Leader approach to rural development. This involves the implementation of regional partnerships (Local Action Groups – LAGs) between the public and private sectors to en-

sure socio-economic development. Also, the number of local collaborations and cooperation between municipalities and private groups is expected to increase, as well as the emergence of regional networks/cluster development. The following goals are identified:

- increased mobilisation of endogenous potential in rural regions
- improved regional cooperation and greater participation of key actors
- development/dissemination of innovative approaches

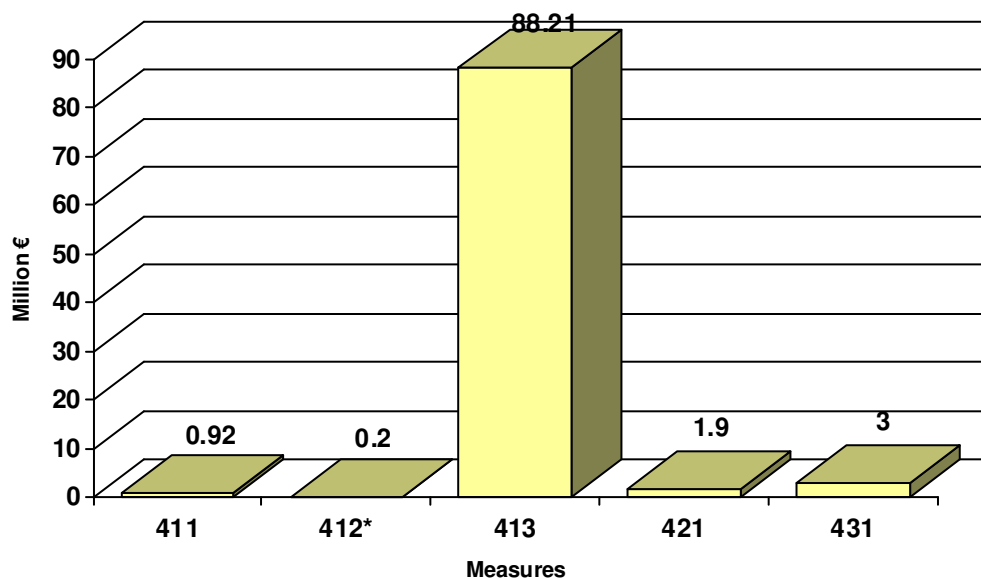
The axis 4 goals are pursued notably with all measures specified under axis 3 except measure 322 that has its own specified programme beyond the approach of Leader.

Within axis 4, clear priority is given to quality of life and diversification (measure 413, 93.6%). Implementing cooperation projects (measure 421) and running the Local Action Group, skills acquisition, animation (measure 431) account for 2%, and 3.1% respectively, while only 0.9% of axis funding are allocated to competitiveness (measure 411), and only 0.2% to environment and land management (measure 412).

Number of LAGs operational in the RDP areas as of March 2010 was 20.

There are no modifications in relation to axis 4 result/output indicators following the RDP update.

Axis 4 indicative budget breakdown by measure: Total allocated budget (including public funds + EAFRD + private funds) of €94,234,786



*Measures marked receive no private funding.

Following the RDP's latest update, the total budget amount for axis 4 is €94,234,786.

As the budget for measure 413 proved to be overestimated, it was lowered. Aid intensity for projects of measures 421 and 431 was increased to 80% in the amended RDP (as the former aid intensity of 70% proved to be insufficient).

The result indicators for measures 421 – (a) number of co-operations supported from investment projects and (b) number of sustainably oriented co-operations – are not quantified in the approved programme nor the amended RDP. The same applies to the result indicators of measure 431, namely (a) share of population in areas with a regional management and (b) share of target group members receiving support.

There are no modifications in relation to axis 4 result/output indicators following the RDP update.

Monitoring and evaluation strategy

The Ministry for Environment, Energy, Rural Areas and Consumer Protection of Hessen is responsible for coordinating the monitoring and evaluation of the RDP. The data necessary to assess the evaluation indicators are provided by the Paying Agency and other authorities responsible for the implementation of the RDP. Essential parts of the monitoring and evaluation systems include an annual progress report, the ongoing evaluation of the RDP, which already started with the ex-ante evaluation of the available programming documents, and the Monitoring Committee, the task and composition of which are defined in its rules of operations. As part of the ongoing evaluation, a mid-term evaluation is prepared for 2010 as well as an ex-post evaluation is scheduled for 2015. The ongoing evaluations focus on the distribution and use of the funds available, the RDP's efficiency as well as the related socio-economic effects. Monitoring indicators follow Common Monitoring and Evaluation Framework (CMEF) indicators with an emphasis on involving qualitative descriptions. The evaluation does, however, also involve case studies.

Communication and publicity

The aim of the RDP's communication plan is to sensitise the general public with regard to the EU policies for the development of rural areas. Another goal is to secure information dissemination about the programme's subsidies to relevant project holders, regional and local authorities, social and economic partners and environmental organisations as well as to provide contacts and opportunities for dialogue between the different partners and target groups. Various measures are offered, focused on the respective target groups and the stage of programme implementation. Other tools include: press releases, conferences, Internet (www.eler.hessen.de), brochures, flyers, news-sheets, and organisation of excursions for illustration of 'best practice' projects. Information meetings, seminars and workshops are also seen as part of the communication programme. At least once a year a list of recipients of RDP funds are made publicly available.

Annex I – Measures

Measures offered 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 ⁴
		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 LAG, skills acquisition, animation	

⁴ NB: Measure 226 is included in the RDP, but is not financially covered.