

N.01

# Promoting Knowledge transfer and investing in human capital

## Introduction:

One of the objectives of rural development policy, as laid out in the Community strategic guidelines for the programming period 2007-2013, is to increase the competitiveness of the agricultural and forestry sector.

In this respect a significant part of resources are devoted by Rural Development Programmes (RDPs) to contribute to a strong and dynamic European agri-food sector by promoting knowledge transfer and investments in human capital.



## Identifying the needs

Investments in the key resource of human capital are necessary in order to allow rural areas and the agri-food sector to look to the future with confidence. As recent reforms have created a market-oriented environment for European farming, farm businesses are in need of strategic and organisational skills as to take advantage of the new opportunities and economic potentials.

Improving the competitiveness and environmental sustainability of the agricultural sector and boosting jobs and growth in related areas of the economy will significantly depend on the successful agricultural adjustment. This includes promoting the anticipation of change within the agricultural sector in the context of restructuring and modernisation and developing a proactive approach to training and retraining farmers, particularly as regards transferable skills.

In order to support the diffusion of knowledge and improvement of the human potential, rural development policy offers a range of relevant measures.

## The interventions at "a glance"

All people involved in agricultural, food and forestry activities are in need of new skills in order to respond to the economic, technological and environmental changes. In order to obtain the new required skills, the RDPs provide support for vocational training and information actions, including diffusion of scientific knowledge and innovative practices.

Against the context of an ageing agricultural labour force, the future of the farmers' profession must be ensured. The RDPs provide support to the setting up of young farmers which includes facilitating their initial establishment and the structural adjustment of their holding afterwards. Young farmers can bring new skills and energy, and a more professional management to the farming sector.

In the same context the early retirement scheme provides financial support to the transferor of a farm holding or a retiring farm worker and it aims at introducing structural changes in the transferred holdings and to increase their size thus contributing to their economic viability.

Advisory services for farmers and forest holders are also part of the support provided by the RDPs. Such services, allow beneficiaries to improve the sustainable management of their holding by helping them to assess their performance and identify necessary improvements with regard to statutory management

### Relevant RDP measures

- ❖ Measure 111 - Vocational training and information actions
- ❖ Measure 112 - Setting up of young farmers
- ❖ Measure 113 - Early retirement of farmers and farm workers
- ❖ Measure 114 - Use of advisory services by farmers and forest holders
- ❖ Measure 115 - Setting up of farm management, farm relief and farm advisory services, as well as of forestry advisory services
- ❖ Measure 124 - (Indirectly contributing) Cooperation for development of new products, processes

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requirements and Community standards related to occupational safety.

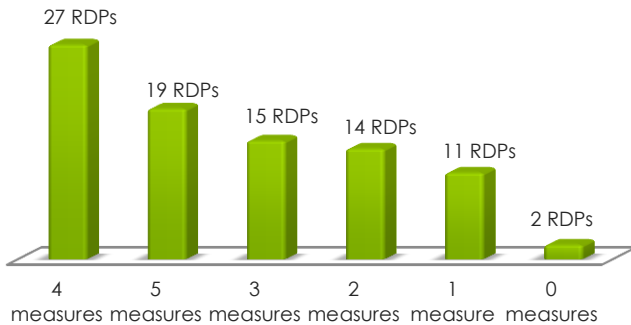
Enhancement of the human potential is the aim of the scheme for the setting-up of management, relief and advisory services as it can help farmers and forest holders to adapt, improve and facilitate farm management and to increase the overall performance of their holdings.

Knowledge transfer and improved efficiency of the human capital is also indirectly supported by the encouraging cooperation initiatives scheme as it facilitates the agricultural, food and forestry sectors to take advantage of market opportunities through widespread innovative approaches in developing new products, processes and technologies.

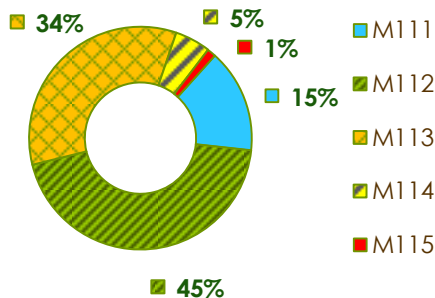
## Target groups

The target groups of such activities are in general farmers and forest holders with specific eligibility criteria for each measure and, specifically for measure 115, the main beneficiaries are organisations, holdings or individuals setting up farm management, farm relief and farm advisory services, as well as forestry advisory services.

**Knowledge and human capital measures:  
Number of measures implemented in the  
88 RDPs**



**Breakdown per measure of programmed  
total public expenditure for 2007-2013  
supporting knowledge and improvement of  
human potential  
(EU 27)**



## Selection of measures in the Member States

According to their needs and priorities, as identified in their National Strategy Plans, the Member States have decided to implement a number of the measures previously described to support the diffusion of knowledge and improvement of the human potential.

As shown in the figure on the left, more than half of the RDPs (46 RDPs) implement 4 or 5 of the directly relevant measures. In only a few programmes (13 RDPs) none or only one of these measures have been activated.

## Financial support

EU-wide, the five aforementioned measures support the promotion of knowledge and improvement of human potential through a budget (programmed total public expenditure for 2007-2013) of €11.1 billion. The EAFRD contribution to the above budget amounts to €6.8 billion. This allocation accounts for 7.2% of the programmed total public expenditure - €154 billion - for rural development of for the period 2007-2013 for the whole EU.

The accompanying figure provides a breakdown per measure of the allocated budget also at EU level. It shows the dominance of support to young farmers (45%) followed by the early retirement scheme (34%) and vocational training and information actions (15%).

## Financial implementation progress

By 2011, €5.2 billion or 47% of the programmed €11.1 billion had been used by the EU Member States to support the promotion of knowledge and improvement of human potential. These measures have been implemented at various rates across Europe. Respectively, 50% and 56% of measures' 112 and 113 programmed budgets have been used. On measure 111 32% of its programmed expenditure has been realised while measures' 114 and 115 expenditure rates were less than 20% of their programmed budgets for 2007-2013.

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## Physical outputs (2007 - 2009)

Across the EU, training activities for more than 200 000 beneficiaries have been supported and approximately 600000 days of training have been delivered.

Support has been granted to more than 36 000 young farmers while the implemented investments accounting for almost €5 billion. In addition, more than 32 000 farmers have received advisory services for the improvement of the overall performance of their holdings and more than 200 management, relief or advisory services have been set up.

### Using IT for efficient farm management in Poland

(RDP measure 111)

This project addresses the existing gap in knowledge and skills within the rural population regarding information and technology (IT) skills. Training was provided to farmers and foresters in order to build competency in basic IT skills as a farm management tool.

Theoretical and practical workshops for working with computers were organised covering topics such as programs related to crop production: animal husbandry and agricultural economics; farm management including accounting; learning self-use computer programs for farmers; using Internet etc.

The total cost of the training programme was €49 000 of which €23 000 was the EAFRD contribution.



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### Supporting a young farmer to become competitive in Flanders, Belgium

(RDP measure 112)

This project supported the initiative of a young farmer who wanted to take over ownership and management of his family farm from his parents.

The project activities included: preparation of a business plan including capital investment and income projections; preparation and submission of application forms; arrangement and approval of all the elements required to complete formal transfer of ownership of the farm (including finance, legal aspects, etc). A significant part of the support was also used for the development of farm business management and improvement of the farm productivity and overall efficiency.

The total cost of the investment was €276 195 of which €221 195 was the EAFRD contribution.

Source of the data:

- Programmed expenditures 2007-2013: RDP budget allocation following Health Check revision (December 2011)
- Expenditures 2007-2011: DG AGRI
- Output indicators: monitoring tables submitted by Managing Authorities along with the 2008, 2009 and 2010 Annual Progress Reports. Data referring to programming years 2007 to 2009. Only commitments made from year 2007 onwards are considered.
- Output targets 2007-2013: DG AGRI
- Community strategic guidelines for rural development (programming period 2007 to 2013) [http://ec.europa.eu/agriculture/rurdev/leg/index\\_en.htm](http://ec.europa.eu/agriculture/rurdev/leg/index_en.htm)
- Common Monitoring and Evaluation Framework (CMEF) [http://ec.europa.eu/agriculture/rurdev/eval/index\\_en.htm](http://ec.europa.eu/agriculture/rurdev/eval/index_en.htm)
- ENRD Projects Database [http://enrd.ec.europa.eu/projects/en/projects\\_home.cfm](http://enrd.ec.europa.eu/projects/en/projects_home.cfm)