



**Thematic Working Group 1: Targeting territorial
specificities and needs in Rural Development Programmes**

Case Study on non-mountain Less Favoured Areas

EN RD Contact Point

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Connecting Rural Europe

Other LFA

Article 19 of EC Regulation 1257/99 defines *Less-Favoured Areas other than Mountain* as those areas with low productivity of the natural environment, where agricultural land is difficult to cultivate and which are in danger of abandonment of land-use and where the conservation of the countryside is necessary. In addition, Article 20 of the same regulation states that LFA may include other areas affected by specific handicaps, in which farming should be continued in order to conserve or improve the environment and preserve the area tourist potential.

The current sample of three countries – Bulgaria, Netherlands and Hungary – was chosen to reflect a variety of socio-geographic circumstances within Less Favoured Areas other than Mountain.

Definition

Bulgaria

The **Less Favoured Areas**, which are the subject of this case study, are defined on a basis referring to poor land productivity. Those settlements in which land productivity is assessed to be no more than 80% of the national average, and which fall outside the Mountain LFAs, are designated as 'Other LFAs'.

Netherlands

Areas can only be designated as **Less Favoured Areas** if the agricultural sector genuinely faces a competitive disadvantage due to external circumstances beyond the control of the farms themselves and if the area possesses qualities of European importance that need to be preserved'. LFAs are stated to be in four categories of land with specific handicaps – deep marshy pasturelands; flood plains (between rivers and embankments); stream valleys and valley flats (flood plains); and hill slopes. LFA have to fall within the rural areas in the overall definition (i.e. areas that lie outside urban centres that have more than 30,000 inhabitants)

Hungary

The **Less Favoured Areas**, which are the subject of this case study, are defined by reference to the above mentioned EC 1257/1999 Regulation i) as areas with poor productivity, difficult land use, low density of population with high share of agricultural workers, and ii) areas with special disadvantages, including severe soil acidity, severe soil salinity, extreme soil water management conditions and extreme physical soil characteristics.

Objectives

Although none of the countries gives a priority in its RDP to LFAs other than Mountain, the objectives are stated clearly including as a main goal conservation of biodiversity and sustainable development of the land and other natural resources. In addition, the countries pay attention to local specificities as the prevention of land abandonment and the reduction of depopulation (BG, HU), sustainable and multi-functional management of forests, restoration of water systems (NL), and maintaining traditional landscape.

RDP measures and resources

In addition to measure 212 Payments in other Areas with Handicaps, two other measures are commonly targeted to *LFA other than Mountain*, namely 121 Modernisation of farm holdings and 214 Agri-environment payments. Further, measure 122 Improving the economic value of forests and 221 First afforestation of agricultural land applies in Other LFAs in Hungary and Netherlands respectively. Axis one measures attract higher levels of aid in LFAs than elsewhere.

Budgets for Measure 212 are definitely attributable to the LFAs: those for the other Measures apply also to other territories, and the share for LFAs is not explained in the RDP. No separate budget for the LFAs is stated for the Axis 1 Measures in either case study. See table 1 below.

Table 1: Measures applied in LFA other than Mountain

	Measure no.	Allocated funding (Post Health Check EAFRD+co-finan.) in million €	Share of the RDP in %
Bulgaria	121 Modernisation of agricultural holdings *	579.6	17.7%
	212 Payments to farmers in areas with handicaps	38.9	1.2%
Netherlands	121 Modernisation of agricultural holdings*	111.3	9.9%
	212 Payments to farmers in areas with handicaps	40.4	3.6%
	214 Agri-environmental payments*	246.3	22%
	221 First afforestation of agricultural land*	17.9	1.6%
Hungary	121 Modernisation of agricultural holdings*	1366.1	29.7%
	122 Improving the economic value of forests*	10.8	0.2%
	212 Payments to farmers in areas with handicaps	20.8	0.5%
	214 Agri-environmental payments*	1004.6	21.9%

* Total budget i.e. applied within and out of other LFA. No differentiation available.

Beneficiaries

Beneficiaries (of measure 212) are active farmers with a minimum farm land (0.5 ha in NL, 1 ha in BG and HU). They have to continue farming for at least 5 years.

In two case studies there are ceilings on the support; In Bulgaria, € 3,500 per farm of the LFA payments and in Netherlands (for measure 121) the total support per farm in LFA is maximally € 500,000 over a period of 3 years, which is 25% higher than the 'standard' maxima of € 400,000 (N.B. some specific environmental investments are excluded from this maxima).

There are some additional restrictions: In Hungary for holdings receiving support from the Central State budget and in the Netherlands common pasture land is excluded.

Targets

In Bulgaria the total area designated as LFA other than Mountain is 252,796 ha, about 10% of the national territory, 8.6% of UAA. About 10% of the national territory, i.e. 252,796 ha, is designated as other LFA in Netherlands. In Hungary the total area of other LFAs is 883,558 ha, 9.5% of the national total territory and 14% of the UAA. Areas with poor productivity, difficult land use, lower than average production account for 4.25% of the national territory and 6.3% UAA. Areas with specific disadvantages account for 5.25% of the national territory and 7.7% UAA.

Other funds

A significant national budget amounting €236 million is devoted to top-up measure 212 and 214 in the Netherlands. No resources outside EAFRD apply specifically to LFA other than Mountain in any of the three countries.

Coherence

There is a coherent relationship between the defined territories, the stated objectives and the measures applied, and they appear to fit well within the overall approach to the RDP.

However, the Bulgarian and Hungarian funding under Measure 212, at around or less than 1% of the RDP budget, appears small when applied to about 10% of the national territory.

The combination of multiple objectives in integrated land management programmes as applied to LFAs in Netherlands can be regarded as a good practice to be shared with other Member States.

Conclusion on LFA

The three case studies provide a sharp contrast between (on the one hand) the land with poor productivity in Bulgaria and Hungary, where the aim is to enable farmers to stay on the land and continue farming in difficult circumstances while protecting environmental values in fairly simple ways, and (on the other hand) the lowland flood-plains and other environmentally sensitive lands in the Netherlands, where sophisticated systems of land management are needed to achieve multiple objectives. It is a tribute to the flexibility of the RDP Measures that they can bring benefit to both these types of LFAs; and that the constantly evolving agenda of objectives (or of 'public goods' that can be secured through skilled land management) can be pursued by these means.