



# FACTS AND FIGURES

## RURAL DEVELOPMENT IN THE EUROPEAN UNION



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## EU RURAL DEVELOPMENT POLICY 2014-2020

After the first Cork conference in 1996, Rural Development Policy was introduced as the second pillar of the CAP and a European policy in its own right. Its focus is the economic, environmental and social sustainability of EU rural areas. In the current programming period this is reflected in the following six priorities for rural development:

1. fostering knowledge transfer and innovation in agriculture, forestry and rural areas;
2. enhancing the viability and competitiveness of all types of agriculture, and promoting innovative farm technologies and sustainable forest management;
3. promoting food chain organisation, animal welfare and risk management in agriculture;
4. restoring, preserving and enhancing ecosystems related to agriculture and forestry;
5. promoting resource efficiency and supporting the shift toward a low-carbon and climate-resilient economy in the agriculture, food and forestry sectors;
6. promoting social inclusion, poverty reduction and economic development in rural areas.

Member States and regions base their rural development programming on the one hand on a SWOT analysis and need assessment of the concerned territories, and on the other hand on the six priorities. These are further broken down in 18 focus areas for action.

Each programme contains specific targets for their expected achievements. Below there is an overview of aggregate EU targets related to expected achievements for rural development in 2014-2020 in the programmed areas.

### Targets for knowledge transfer & innovation

- **3.9 million** training places
- **3.9%** of expenditure on knowledge transfer, advice and cooperation
- **15 250** Co-operation Projects

### Targets for farm viability and competitiveness

- **335 000** agricultural holdings with RDP support for investments in restructuring or modernisation (2.8% of holdings)
- **175 500** agricultural holdings with RDP supported business development plan/investments for young farmers (1.5% of holdings)

### Targets for promoting food chain organisation

- **300 000** agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations
- **645 000** agricultural holdings participating in risk management schemes

### Targets for biodiversity

- **17.7%** of agricultural land and
- **3.45%** of forest area under management contracts supporting biodiversity and/or landscape

### Targets for water management

- **15%** of agricultural land and
- **4.3%** of forestry land under management contracts to improve water management

### Targets for soil management

- **14.3%** of agricultural land and
- **3.6%** of forestry land under management contracts to improve soil management and/or prevent erosion

### Targets linked to climate change and resource efficiency

- **7.6%** of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions
- **2%** of Livestock Units concerned by investments in livestock management in view of reducing GHG and/or ammonia emissions
- **15%** of irrigated land switching to more efficient irrigation systems
- **€ 2.8 billion** total investment in energy efficiency
- **€ 2.7 billion** invested in renewable energy production
- **4 million ha** of agricultural and forestry land under management to foster carbon sequestration/conservation

### Target for job creation

124 000 non-agricultural new jobs directly created, of which:

- **79 000** in relation to diversification actions and creation and development of small enterprises
- **45 000** through LEADER groups

### Targets for local development

- **51 million** rural citizens benefitting from improved services
- **153 million** rural citizens coming under a local development strategy
- **18 million** rural citizens benefitting from improved access to ICT services and infrastructure



# THE EAFRD: THE EU RURAL DEVELOPMENT BUDGET FOR 2014-2020

The 2014-2020 EAFRD budget amounts to 99.6 billion euro broken down into 28 envelopes (and in some MS further down into regional envelopes) to cover 118 Rural Development Programmes. This represents roughly 24 % of the CAP budget. The expected **total public spending** (EU + national and/or regional) on rural development policy in the period 2014-2020 is **EUR 161 billion**.

## 2014-2020 EAFRD funding/MS (€ million)\*

<b>BE</b>		648	<b>HR</b>		2 026	<b>PL</b>		8 698
<b>BG</b>		2 367	<b>IT</b>		10 444	<b>PT</b>		4 058
<b>CZ</b>		2 306	<b>CY</b>		132	<b>RO</b>		8 128
<b>DK</b>		919	<b>LV</b>		1076	<b>SI</b>		838
<b>DE</b>		9 446	<b>LT</b>		1 613	<b>SK</b>		1 560
<b>EE</b>		823	<b>LU</b>		101	<b>FL</b>		2 380
<b>IE</b>		2 191	<b>HU</b>		3 431	<b>SE</b>		1 764
<b>EL</b>		4 718	<b>MT</b>		97	<b>UK</b>		5 200
<b>ES</b>		8 297	<b>NL</b>		765	<b>EU</b>		99 586**
<b>FR</b>		11 385	<b>AT</b>		3 938			

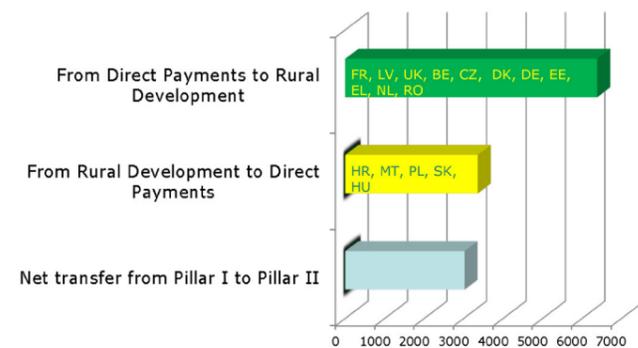
\* Envelopes in place after entry into force on 23rd May 2015 of COMMISSION DELEGATED REGULATION (EU) No 2015/791 amending Annex I to Regulation (EU) No 1305/2013 of the European Parliament and of the Council on support for rural development by the European agricultural Fund for Rural Development

\*\* Includes EU level technical assistance (239 mil. EUR)

## Flexibility between pillars

The option to transfer funds between pillars has been widely used by Member States, leading to a net gain for rural development in the area of € 4 billion.

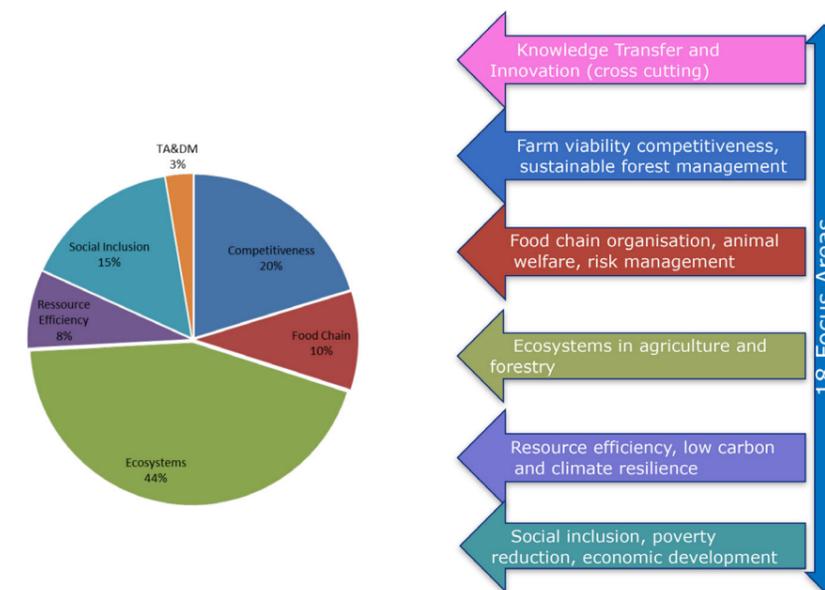
## Flexibility: budgetary transfers between pillars (€ million)



Total transfers from Pillar 1 to Pillar 2			
BE	-96,0	EL	-522,3
BG	-27,9	ES	-6,6
CZ	-135,3	FR	-1.475,1
DK	-289,4	HR	299,0
DE	-1.228,1	IT	-14,7
EE	-97,5	CY	-0,0
IE	-0,6	LV	-106,6
		LT	0,0
		LU	0,0
		HU	24,7
		MT	1,7
		NL	-158,0
		AT	0,0
		PL	2.243,6
		PT	-0,7
		RO	-112,3
		SI	0,0
		SK	330,5
		FIN	0,0
		SE	-18,3
		UK	-2.615,3
		<b>EU-28</b>	<b>-4.005,2</b>

## Which priorities are the most important in budgetary terms?

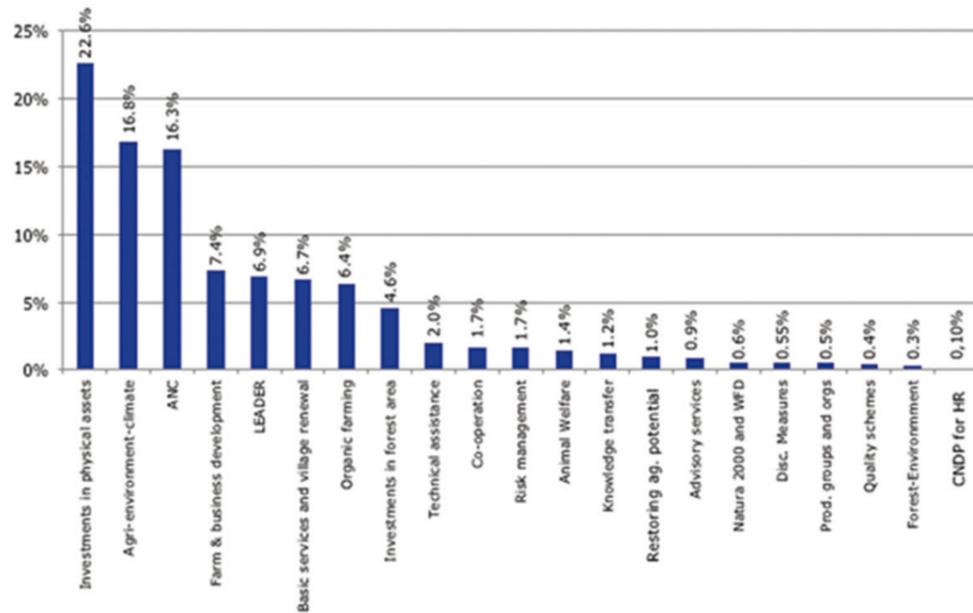
### Share of funds per RD priority



More than half the EU funds for rural development is allocated to the two priorities dealing with environment and climate change. 30 percent is allocated to the two priorities dealing with competitiveness in farming and forestry as well as food chain organisation. 15 percent is earmarked activities in the wider rural economy as well as social inclusion and poverty reduction. Around 3 percent of funds is allocated to technical assistance and discontinued measures. Expenditure for knowledge and innovation is not directly tracked as knowledge transfer and innovation are considered cross-cutting and therefore programmed to contribute to the other priority areas (for instance training to improve competitiveness).

## What kind of measures and features are used under rural development?

### Allocation of funds per measure



The most popular measures in 2014-2020 are physical investments, Areas with Natural Constraints (ANCs), and agri-environment-climate measures (AECMs). Their relative importance varies by Member State and some key geographical axes of variation in priorities can be seen, with north-western MS prioritising AECM, and most eastern and some southern MS prioritising physical investments.

Comparing the planned spend for 2014-2020 with realised expenditures in the 2007-2013 period, there is considerable continuity in priorities and patterns. Notable exceptions include a good take-up of the new measure for cooperation in particular for the European Innovation Partnership (EIP-AGRI) and an overall increased spending on LEADER. Compared to the previous programming period, many programmes have focused funds more strongly on a smaller range of measures and this seems to be for both strategic and administrative efficiency reasons.

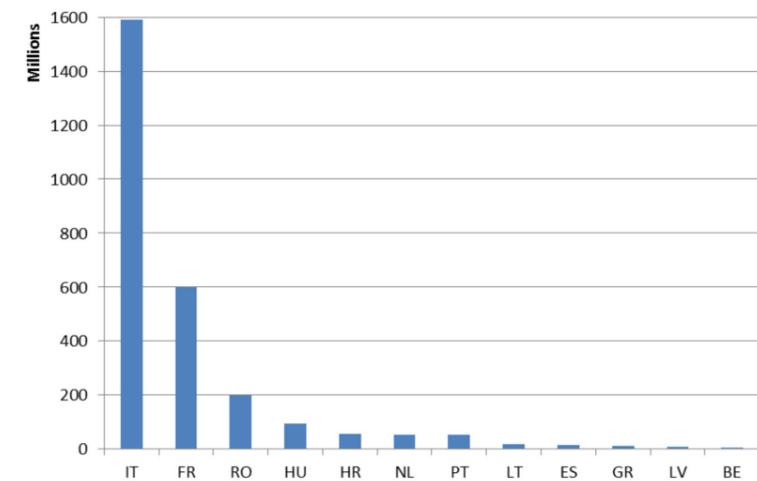
## USE OF SELECT FEATURES

The 2014-2020 saw the introduction of a number of new features as well as a reinforcement of others in Rural Development policy.

### Risk management

A Risk Management tool kit consisting of insurance schemes, mutual funds and an income stabilisation tool was added to the policy in this programming period. Uptake has, however, been relatively modest with 13 Member States programming it and the vast majority of funds being allocated in only two Member States. A total of 644 000 holdings are expected to benefit from the tool kit.

### Total Expenditure per MS



### Thematic sub-programmes

The possibility to make specific sub-programmes, for instance for young farmers, restructuring of sectors or mountains was only used by four Member States and it was mainly used for small farmers or sectors.

### Multi-funded CLLD

Multi-funded CLLD was made possible in 19 Member States, with 10 Member States going for the full four fund option (BG, DE, ES, FR, GR, IT, PL, PT, SE, UK).

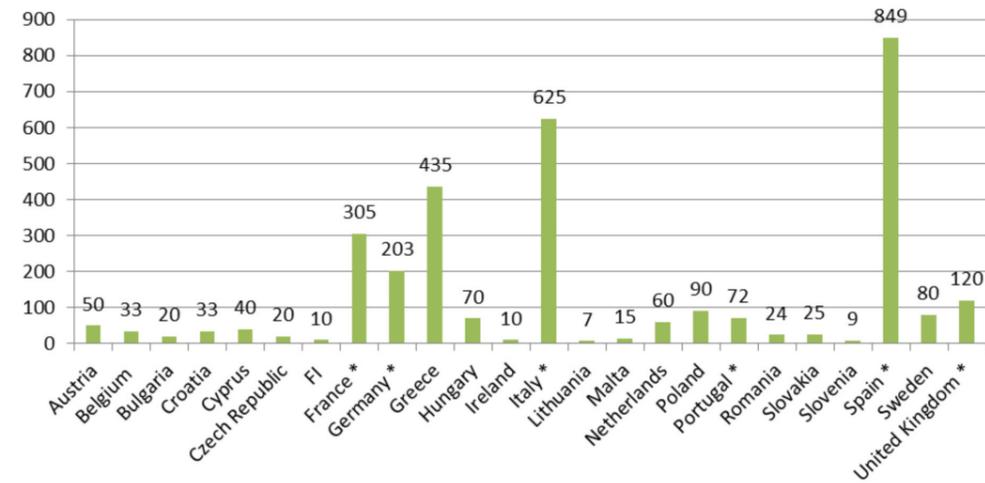
Multifunding:	MS
ALLOWED	AT, BG, CZ, DE, DK, ES, FI, FR, GR, HU, IT, LT, LV, PL, PT, SE, SI, SK and UK
NOT ALLOWED	BE, CY, EE, HR, IE, LU, MT, NL and RO

### European Innovation Partnership

The most 'popular' new feature is the European Innovation Partnership (EIP-AGRI) which was programmed in 26 Member States in a total of 94 rural development programmes. Approximately 3 200 interactive innovation projects, the so-called Operational Groups – bringing together farmers, researchers, advisors is expected to receive support this period. Their results will be shared with other groups throughout the EU via the EIP-AGRI network which also features other knowledge creating and disseminating activities such as workshops, focus groups and seminars.

The budget for an EIP Operational Group project varies depending on the scope of the project's activities.

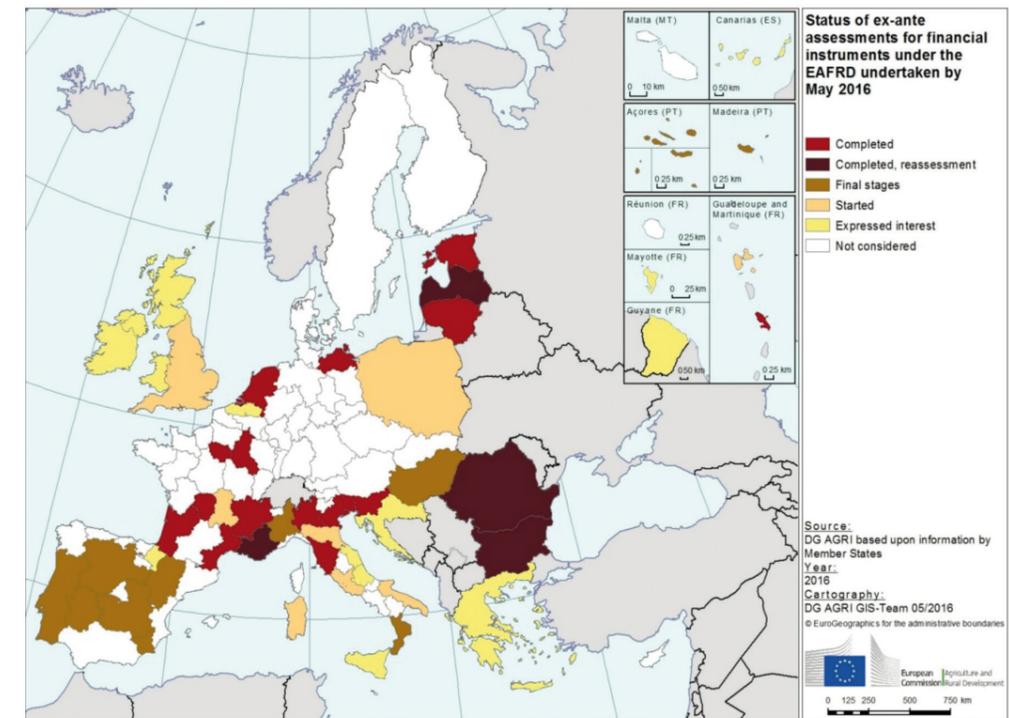
Number of EIP operational groups planned in the 2014-2020 RDPs:



### Financial Instruments

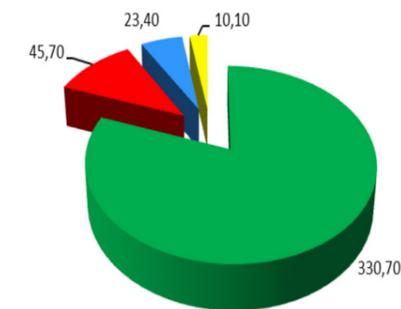
At present seven rural development programmes have fully programmed Financial Instruments (loans, guarantee schemes and equity). Only one is operational – a credit fund in Estonia. Another 20 RDPs contain programming provisions on FIs, but are at the stage of ongoing/recently finalised ex-ante assessments and a great number of Managing Authorities are showing interest in carrying out an ex-ante assessment. But still for 56 RDPs (50% of all programmes) there is no ex ante assessment on-going or planned.

Data shows an amount of 410 million euro planned to be used for FI. This represents only a small share from the total planned EAFRD budget for investments (0.8%).



Completed	Completed, re-assessment	Final stages	Started	Expressed interest	Not considered
25	3	4	8	13	56

Financial instruments are mainly focussing on physical investments, but also to a certain degree business development, and lesser degree the forestry investment measure and LEADER.

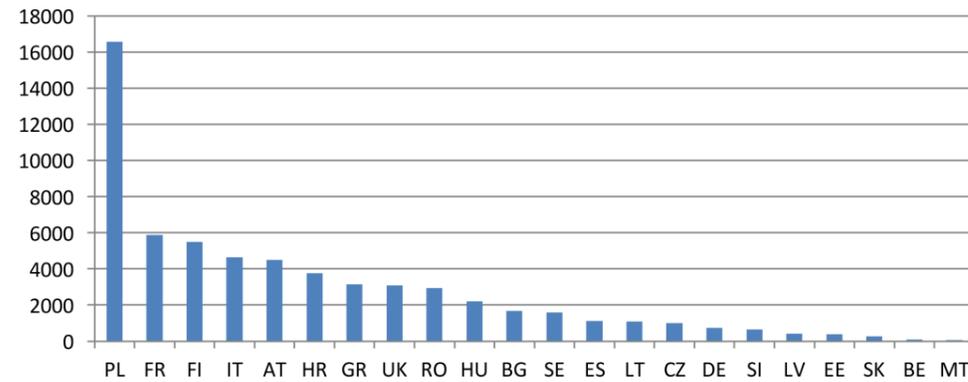


■ Physical investments in agriculture ■ Business development ■ Forestry ■ Leader

## THE WIDER RURAL ECONOMY

Although a relatively large share of EAFRD targets action related to agricultural value chains, an important part is earmarked actions related to developing economic activity outside farm gates as well as the delivery of basic services and broadband.

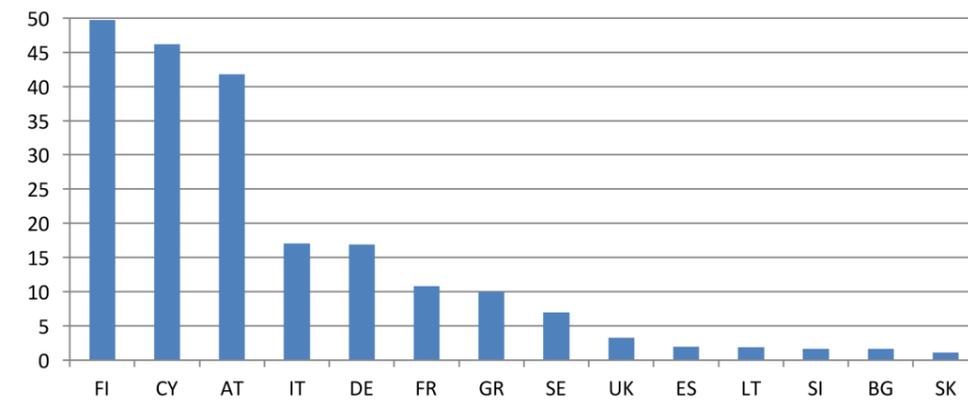
### Number of holdings and SMEs supported for non agricultural investment/business set-up in rural areas



Support to roll out broadband has been programmed in 14 Member States with a total of 18 million rural citizens expected to benefit. This covers € 900 m from the EAFRD but other EU and national funds are also being used to roll out broadband in rural Europe.

### Broadband and ICT infrastructure

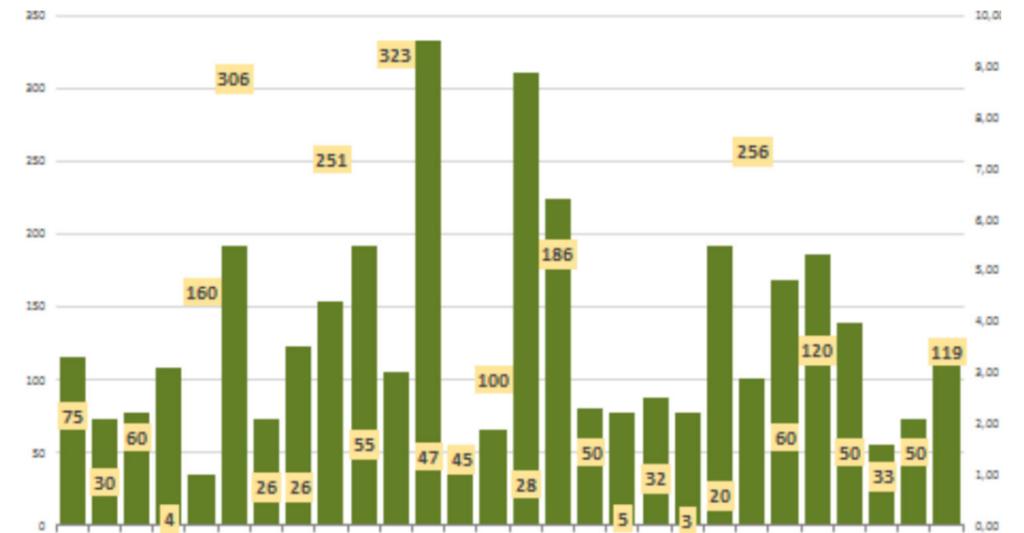
#### Percentage of rural population benefiting from new or improved services/infrastructures (ICT) (focus area 6C)



## LEADER

In 2014-2020, 153 million rural citizens are expected to be covered by one of the 2513 local action groups that will be supported by 6.9 billion EUR from the EAFRD. This is an increase compared to the previous programming period where 143 million rural citizens were covered by one of the 2416 local action groups.

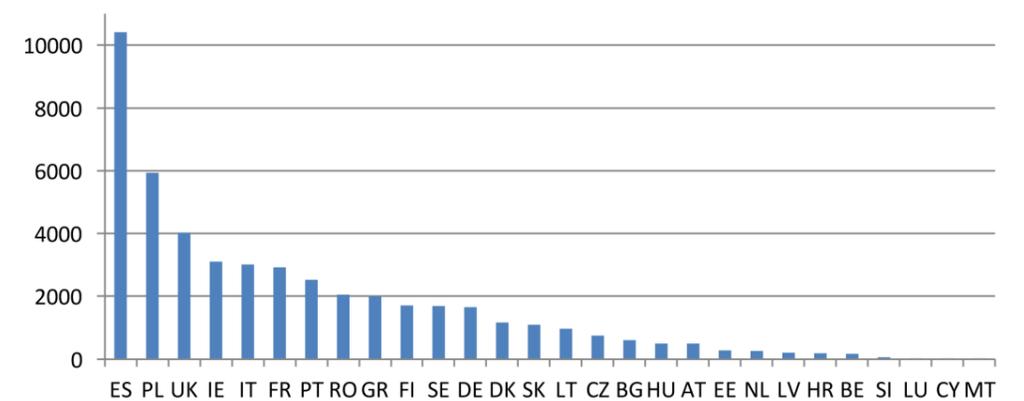
### Expected number of LAGs and average budget (total public)



Source: DG AGRI 2014-2020 SFC Database

According to a recent report by the Committee of Regions, LEADER has created more than 150000 jobs since it was launched. In this period, the target for jobs (reflected in Focus Area 6B) is as follows:

### Jobs created in supported projects (Leader) (focus area 6B)

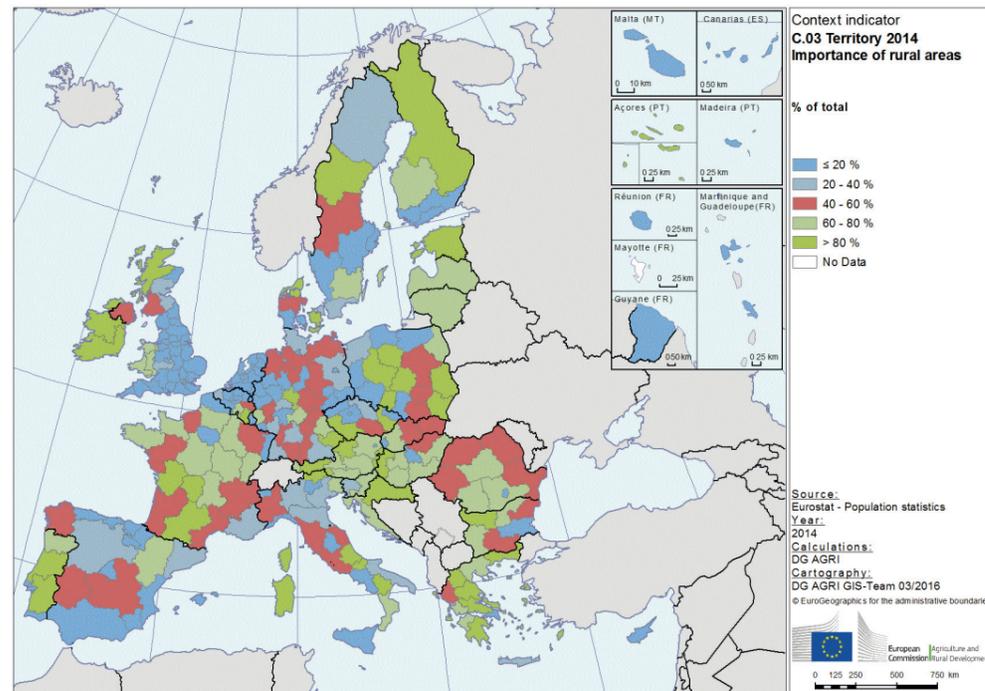


# CONTEXT INDICATORS

## Rural Europe

The territory of the EU-28 covers almost 4.5 million km<sup>2</sup>.

Rural regions cover 52% of the EU territory, intermediate regions account for 38.2% of the area and urban regions only represent 9.8% of the territory. Rural regions are particularly important in the EU-N13, where they represent 58.3% of the territory, whereas urban regions only cover 6.3%.

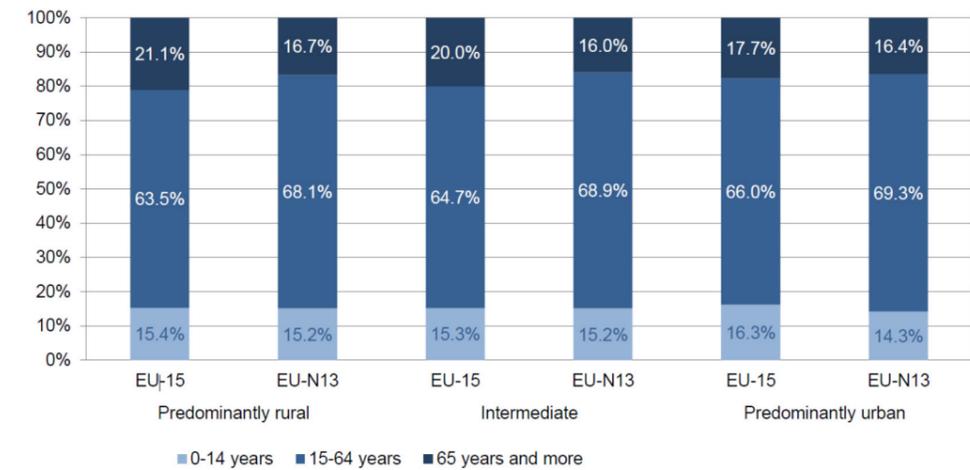


## Demographics

Around 114 million EU citizens live in predominantly rural areas with another 177 million living in intermediate areas.

The share of children and young people is more or less equal in rural, intermediate and urban areas with the exception being urban areas in EU-15. Elderly people are also more numerous in the EU-15 as well, especially in rural areas. The share of the working age population is somewhat smaller in rural regions compared to intermediate and urban areas.

Age structure in the EU-15 and EU-N13 by type of region, 2014

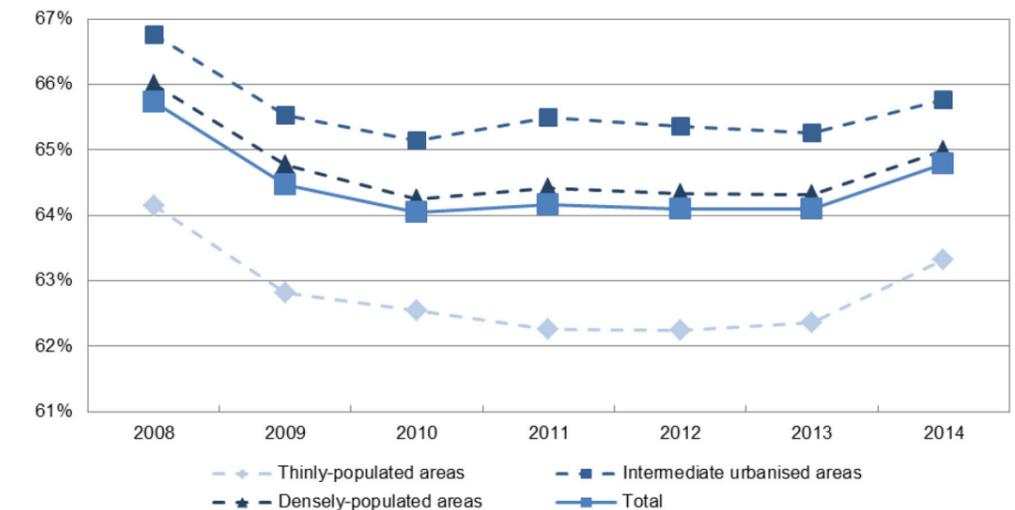


## Rural employment

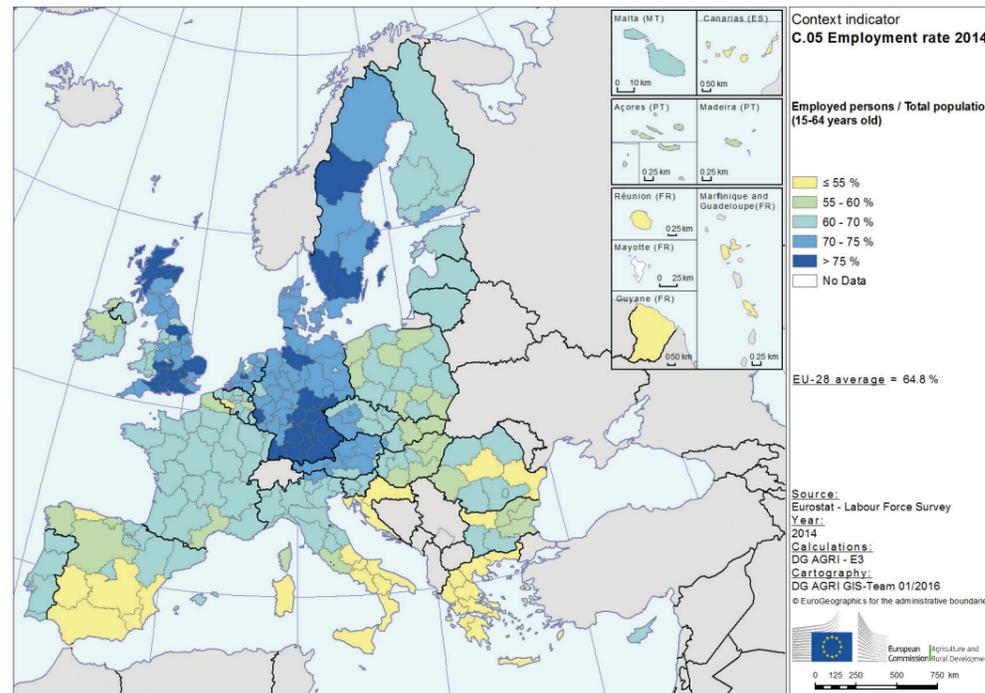
Rural employment lags behind urban and intermediary regions.

The employment rate of the working-age population (15 to 64 years) was affected by the economic crisis during 2008-2010, showing a decrease at the EU-28 level from 66% in 2008 to 64% in 2010. Since then, it has remained quite stable, with rates just above 64%. The trend of the employment rate was very similar in all types of areas, although thinly-populated (rural) areas present lower than average rates.

Employment rate (15 to 64 years) in the EU-28 and by type of area, 2008-2014.



Concerning employment rates by different type of areas, Member States with the highest average employment rates (except for Denmark), have their highest value in thinly-populated (rural) areas. Countries with low average employment rates (e.g., Croatia, Italy and Spain) tend to have their highest employment rates in densely-populated (urban) areas.

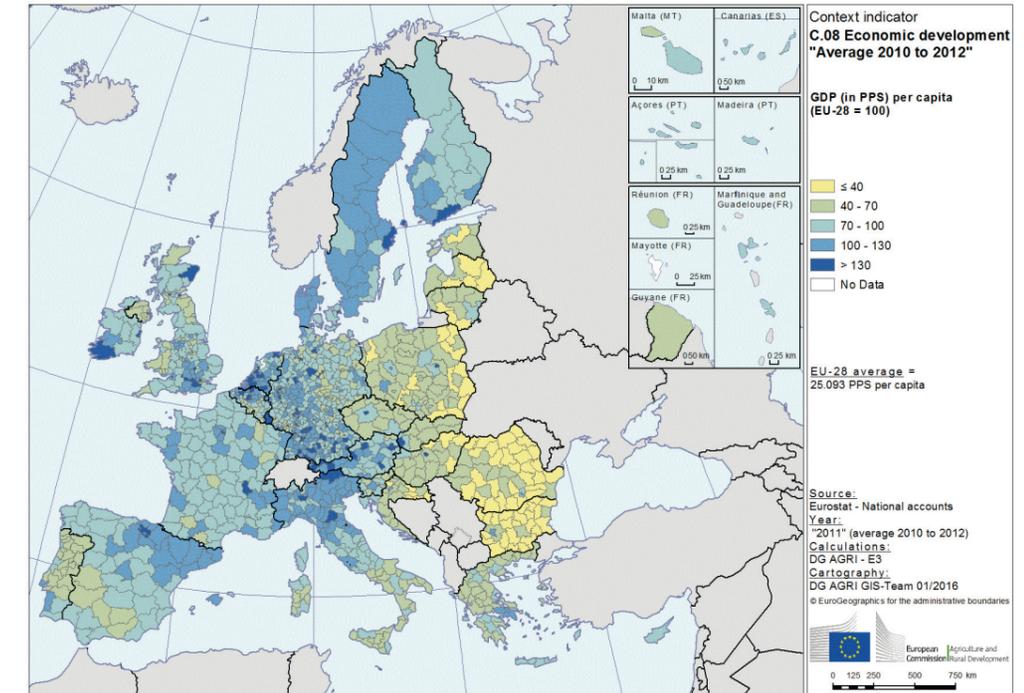


### Education and training

Education and training levels in rural areas are generally lower than in the rest of the economy. In 2015, the highest proportion of early school leavers in the EU-28 was reported in rural areas (12.2%) whilst the lowest was reported in urban areas (just below 10%). The same pattern of lower educational attainment is reflected in the share of adults taking part in education or training. In 2012, only 6.6% of adults aged from 25-64 from rural areas took part in education or training courses whereas the figure for the overall economy was 11%.

### GDP per Capita

GDP per Capita is significantly lower in rural areas, however, with a wide geographical spread. Predominantly rural regions had the lowest level (74% of the EU-28 average), followed by intermediate regions (96%). Predominantly urban regions had the highest rate (130% of the EU average). There is also a large variation amongst rural regions, the GDP per capita in predominantly rural regions of Bulgaria represented just 29% of the EU-28 average during the period 2010-2012, whereas in the Netherlands it was 133%.

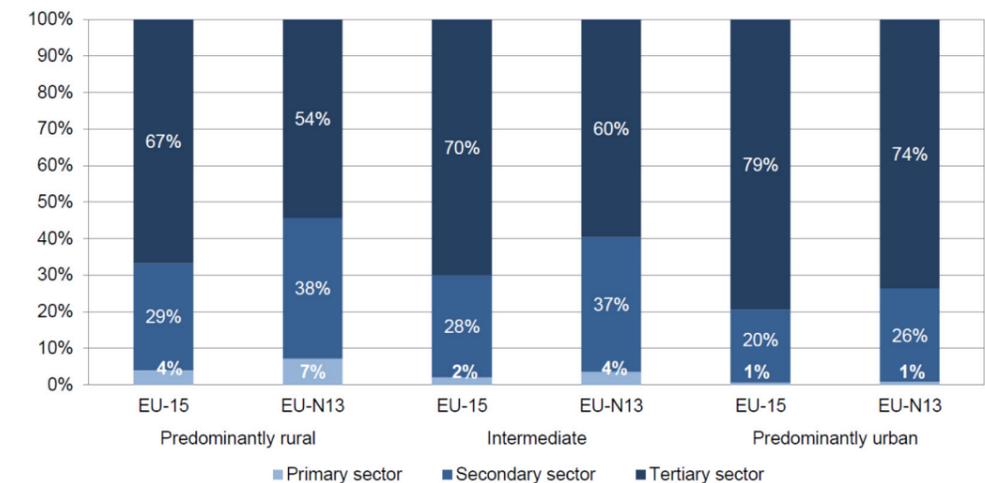


### Structure of the rural economy

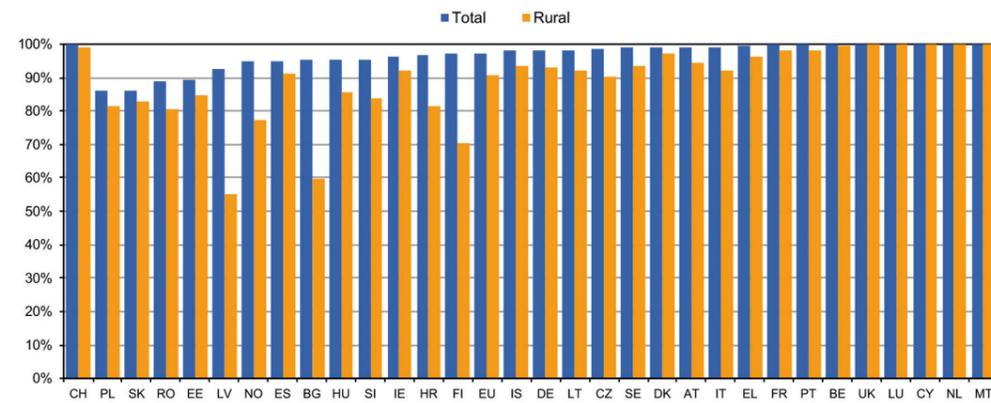
The structure of the rural economy differs between the EU-15 and the EU-13.

In the predominantly rural regions of the EU-13, the primary sector (agriculture, forestry and fishery) still accounted for 7.2% of GVA in 2012, compared to only 4% in the EU-15. Likewise, the importance of the secondary sector (mining, manufacturing and construction) was 10 percentage points higher in the predominantly rural regions of the EU-N13 (38.5%) than in those of the EU-15 (29.3%). By consequence, the weight of the tertiary sector in predominantly rural areas is considerably lower in the EU-N13 (54.3%) than in the EU-15 (66.7%).

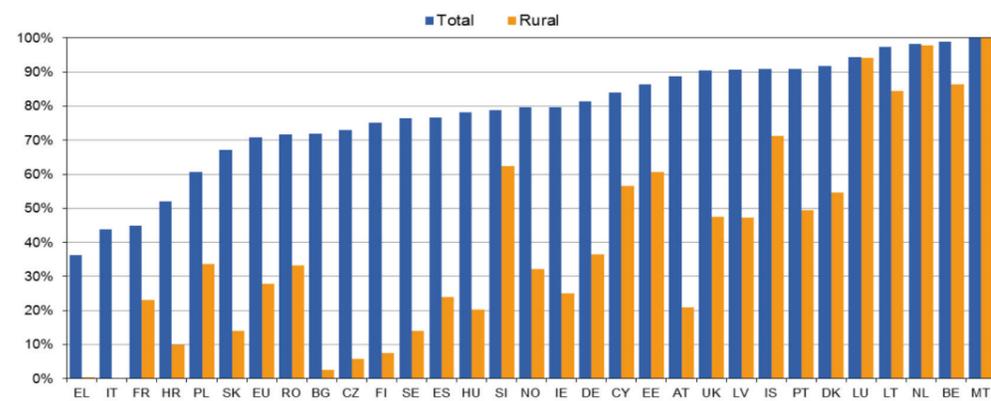
### Structure of the economy by branch of activity in the EU-15 and the EN13, 2012



Fixed broadband coverage, mid 2015



NGA coverage, mid 2015

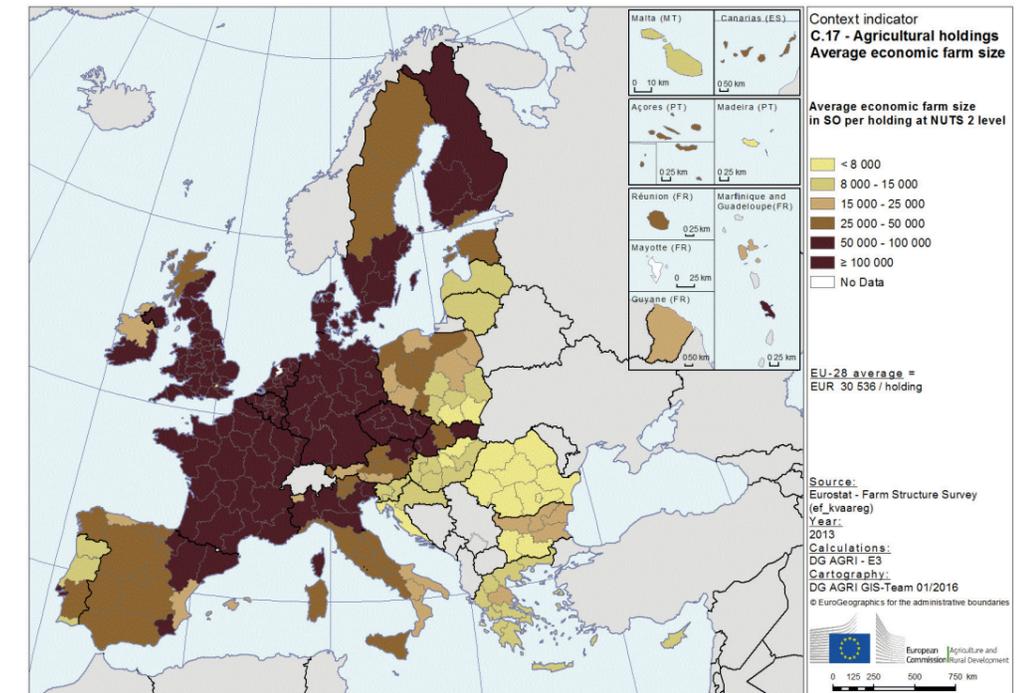


Source: <https://ec.europa.eu/digital-single-market/en/connectivity>

## A GLANCE AT THE AGRICULTURAL SECTOR

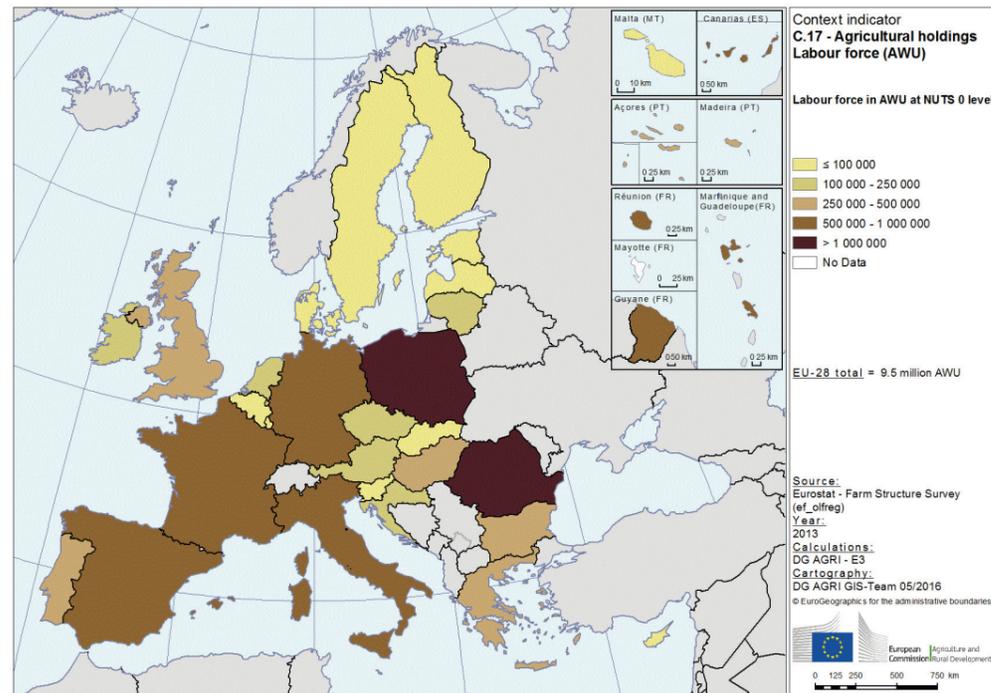
### EU farm structure

The average physical farm size in the EU is 16.1 ha per farm with the size in EU-15 (28.1 ha) being nearly four times larger than in the EU-N13 (7.8 ha). The average economic size of a farm in the EU-15 (€62 000) is seven times higher than in the EU-N13.



In 2013 the EU Member States with the greatest number of farms and labour input were Romania (33% of all farms, 16% of total labour input), Poland (12% of farms, 20% of labour input) and Italy (9% of farms, 8% of labour input). In terms of UAA, the most important EU Member States are France (16% of total UAA), Spain (13%) and the UK (10%).



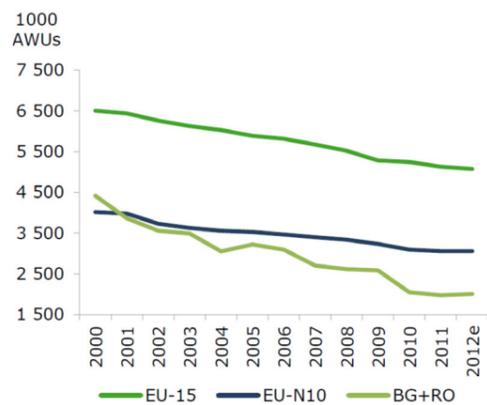


Approximately 22 million people were involved in agricultural work on a regular basis in the EU-28, according to the 2013 Farm Structure Survey. Romania (6.5 million), Poland (3.5 million) and Italy (2.1 million) contribute more than 50% to this number, but also Spain, Greece and Hungary have more than one million people working regularly in agriculture. These six Member States together accounted for 73% of the total number of persons working in agriculture in the EU-28.

Since many farmers and farm workers are only employed part-time in agriculture, the number of people actually working in agriculture is greater than the number of full-time equivalent work units (9.5 million AWU in the EU-28).

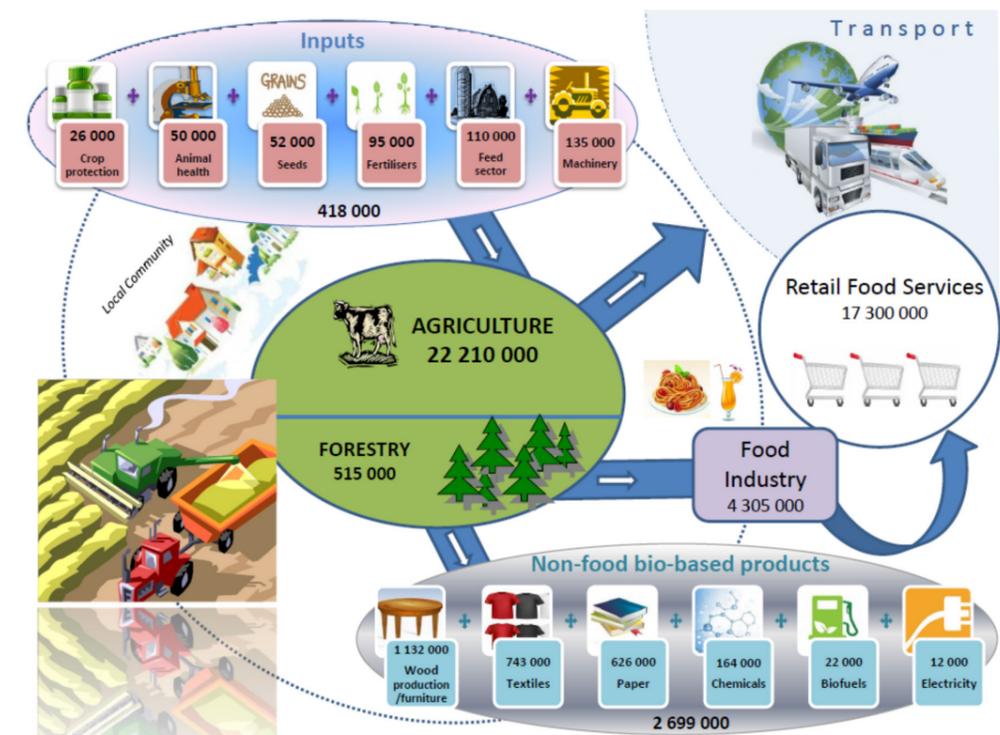
In the period 2000-2012, 4.8 million full-time jobs in the EU agriculture disappeared, 70% of them in the new MS and 93% corresponding to non-salaried workers.

**Evolution of agricultural labour input in the EU by groups of Member States – Data from the EAA**



Source: Eurostat, EAA (online data code: aactal01)

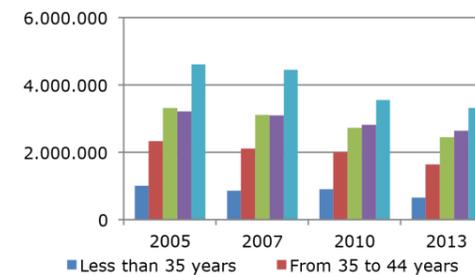
However, looking at the entire agricultural value chain, agri-food, forestry and their related industries remain the largest employment section in the Union with approximately 44 million jobs.



**Generational renewal**

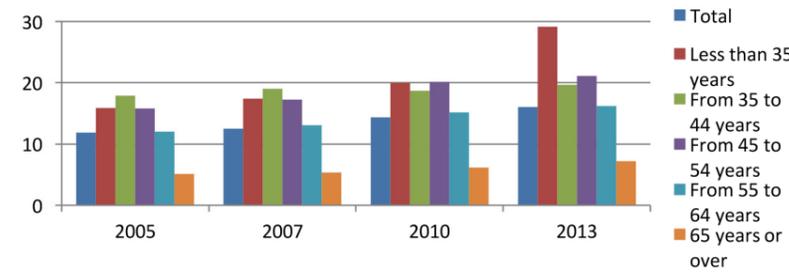
The agricultural workforce clearly shows an older age structure as compared to other sectors of the economy. After a stabilisation at the end of the last decade (between 2007 and 2010, the number of young farmers even experienced a slight increase), the latest structural survey (2013) shows again a decrease in the number of young farmers. In 2013, only 6% of the EU agricultural holdings were managed by farmers younger than 35 years old, while 31% of the farmers were older than 55 years.

**Number of holdings by age group**

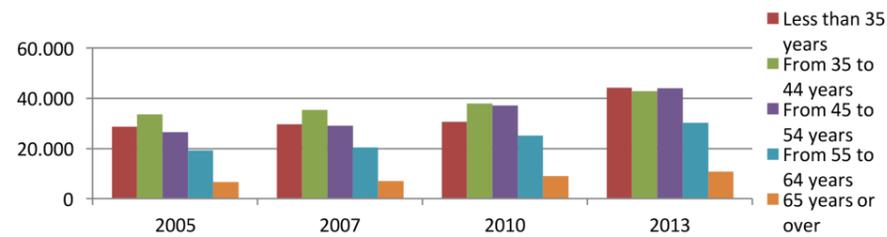


Farmers less than 35 years old tend to have **larger farms** (29.2 ha) than the rest of age groups: almost twice the average EU surface (16.1 ha) and four times the average surface of the older farmers (7.2 ha). They show a **much higher standard output per holding** (almost twice the EU average). Also, young farmers are **better trained** than the rest of the farming community, even though there is still room for improvement (60% of the youngest farmers have only practical experience).

**Agricultural area per holding (EU-28, 2005-2013)**



**Standard output per holding (EU-28, 2005-2013)**



Source: Eurostat

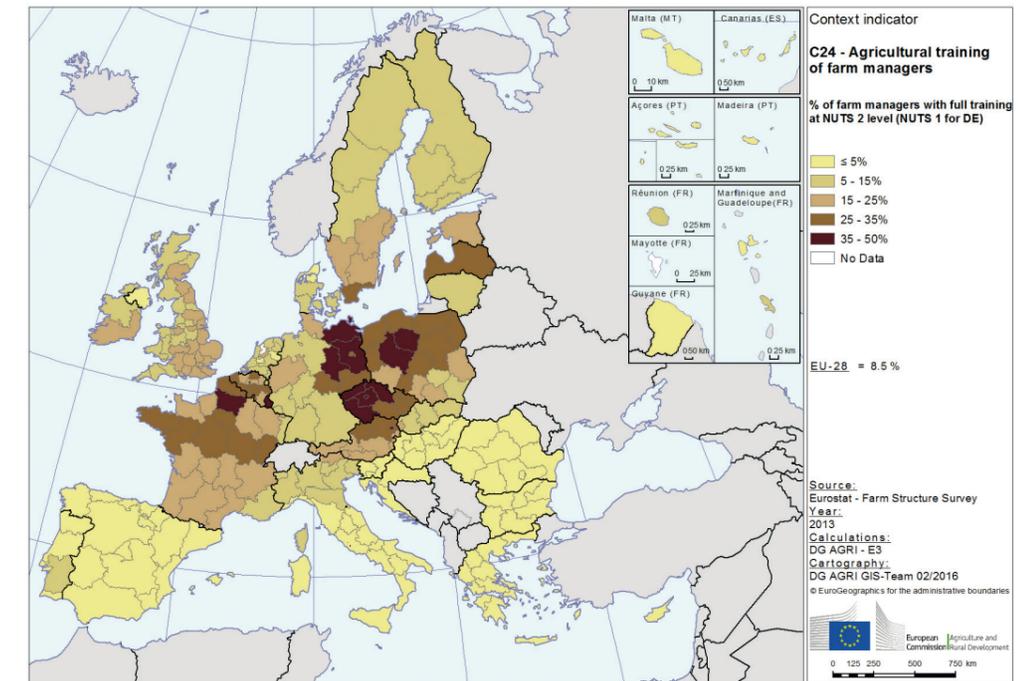
In general the new entrants to the sector) tend to be more innovative actors, adopt more environmental friendly practices (with more interest in organic farming) and show a higher use of ICTs.

According to a recent study commissioned by the European Commission, nearly 61% of EU young farmers consider the availability of land for purchase and 57% the availability of land for rent as the most difficult challenges they face, often due to issues such as land ownership laws, inheritance rules and land prices.

**A knowledge based farm sector: Agricultural training of farm managers**

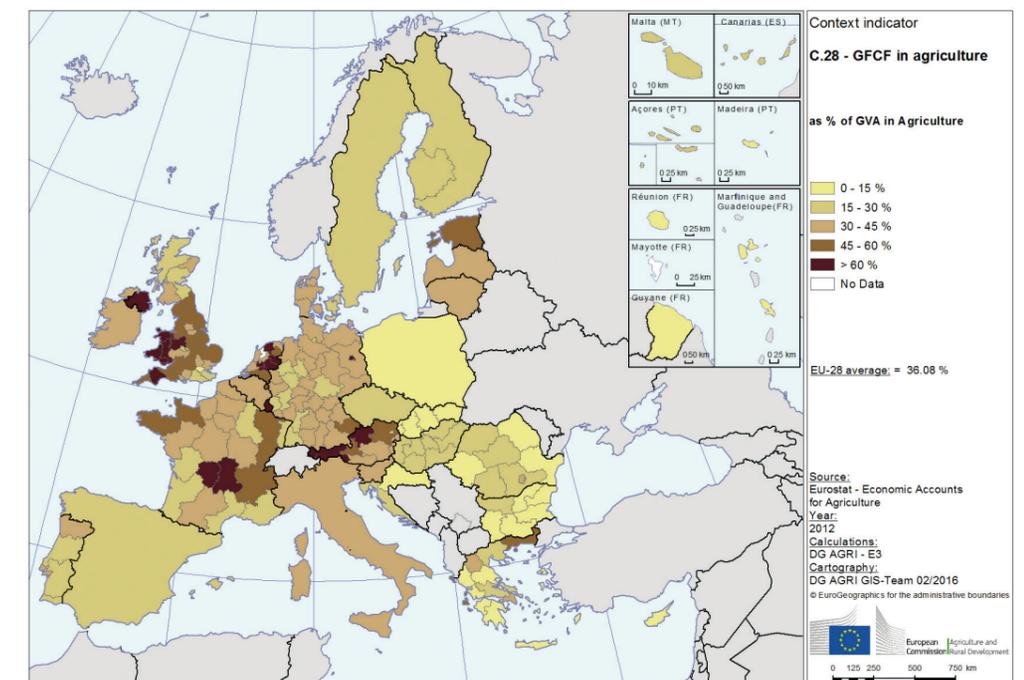
When asked about their training level in 2013, nearly 28.7% of EU farm managers stated that they had followed some kind of agricultural training, but only 8.5% had completed a full cycle of agricultural training. All other farm managers (69.8%) learned their profession through practical experience only.

Full agricultural training is most common (19.9%) among the youngest EU farmers (less than 35 years), especially in the EU-15, where one in four young farmers has received full training. France (70.8%) and Luxemburg (66.7%) have the highest shares of fully trained young farmers. However, in 2013 37.1% of young farmers in the EU-15 still relied on practical experience only.



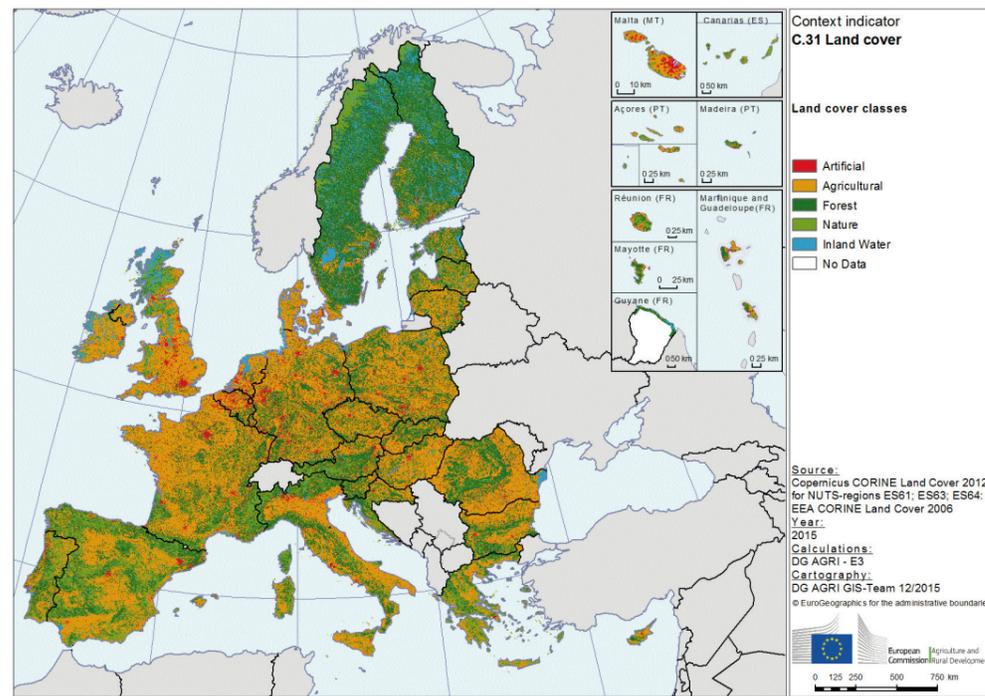
**Investment levels in agriculture**

In 2013, the agricultural sector in the EU-28 invested EUR 58 billion, accounting for 30% of the total agricultural GVA. EUR 52.2 billion, or 90% of the total, was invested in the EU-15, especially in France, Italy and Germany. The highest shares of investment in agriculture as a percentage of the total agricultural GVA are found in Luxembourg (116.8%) and in the Netherlands (54.3%). The lowest levels of investments in agriculture can be observed in Cyprus (2.5%) and in Slovakia (7.1%). Between 2006 and 2013, investments in agriculture in the EU-28 increased at an average annual rate of 1.3%. This rate of increase is lower in the EU-15 (1%) than in the 13 new Member States (3.6%).



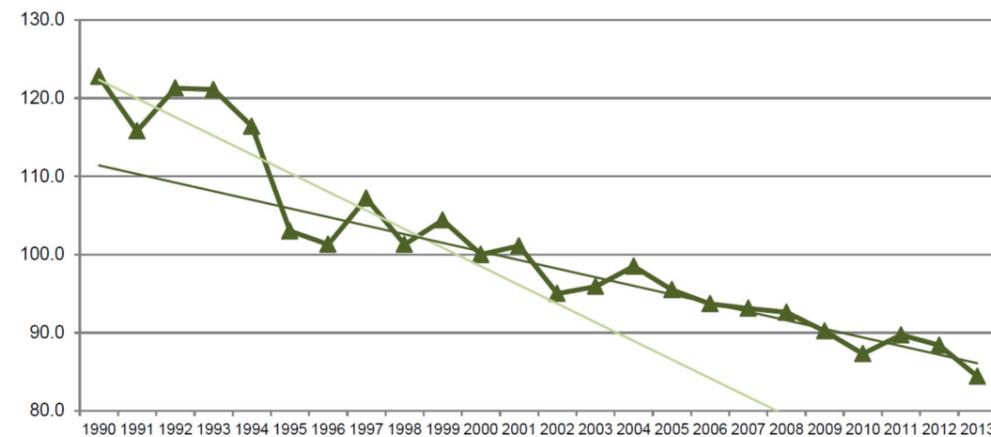
# AGRICULTURE AND THE RURAL ENVIRONMENT

**Agricultural land** accounts for almost half of the EU area. Around two thirds of agricultural land is used for arable crops, one third for permanent grassland and meadows, and the rest for permanent crops. In addition to agricultural area, forests cover 36 % of the EU territory.



With regard to biodiversity, since 2011 the number of species and habitats of EU importance with conservation status at the levels 'secure/favourable' or 'improved' has risen only slightly<sup>1)</sup>. The available indicators specifically concerning agriculture have limitations but in any case the farmland bird population is still in decline, even though it is shrinking more slowly than before (by 15.6 % in 2000-2013, compared with 22.8 % in 1990-2000).

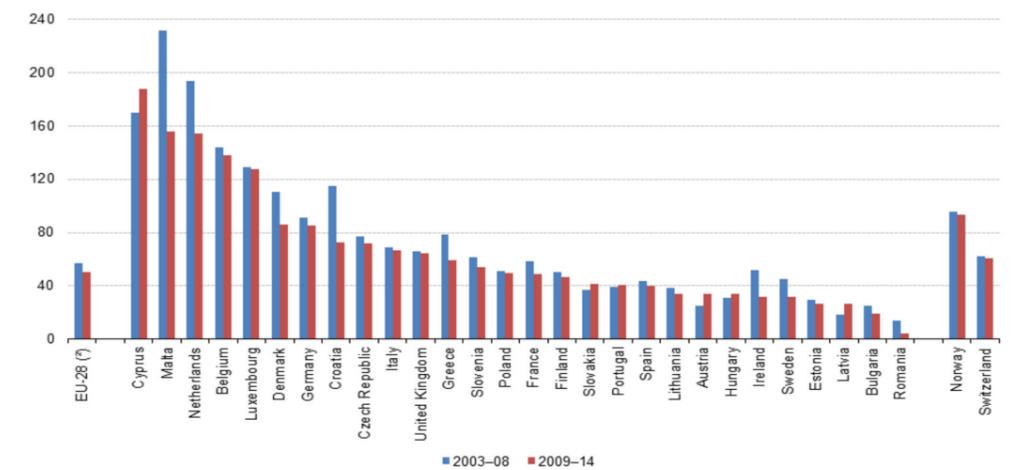
## Population trends of farmland birds in the European Union (2000 = 100), 1990-2013



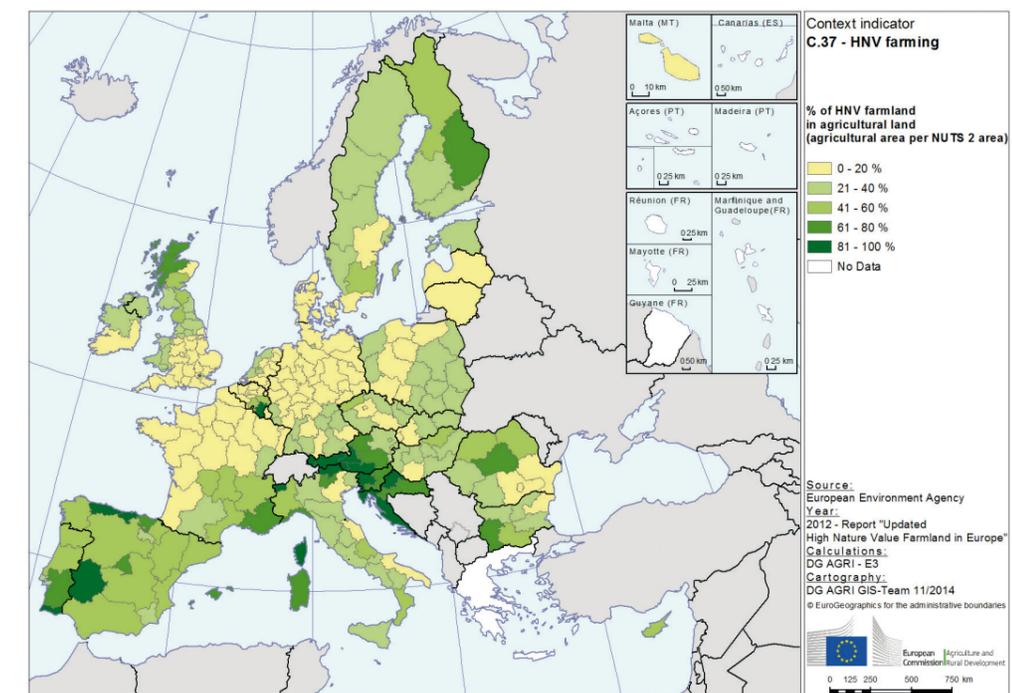
1 Report from the Commission: The Mid-Term Review of the EU Biodiversity Strategy to 2020 – COM(2015) 478 final

With regard to water, both nitrogen and phosphorus surpluses fell between 2000 and 2011 (by 15.6 % and 76.2 %, respectively). However, in 2012 half of EU surface waters were seen as unlikely to reach 'good ecological status' by 2015 and the monitoring of chemical status was poor<sup>2)</sup>. In terms of water use in agriculture, in 2010, this level was around 40 billion m<sup>3</sup> with the EU-15 accounting for 98 % of the use.

## Gross Nitrogen Surplus, averages 2003-2008 and 2009-2014 (kg N per ha of utilised agricultural area)



With regard to soil: organic carbon content levels in arable land vary hugely from one part of the EU to another (with an average of 85g of carbon per kg of soil in IE, and – at the other end of the spectrum – 14g in ES). The estimated figure for erosion by water in 2012 for the EU-28 is 2.4t/ha/year<sup>3)</sup>.



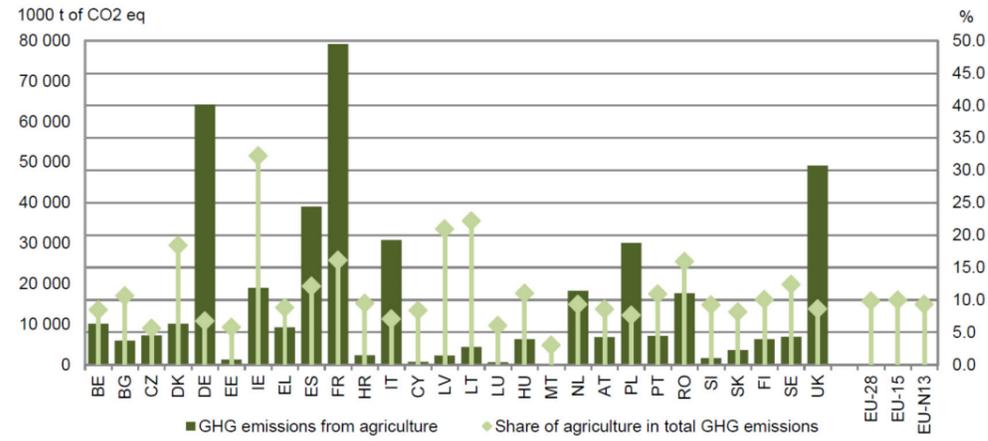
2 Commission Communication: 'The Water Framework Directive and the Floods Directive: Actions towards the 'good status' of EU water and to reduce flood risks' – COM(2015)120 final

3 Ibid.

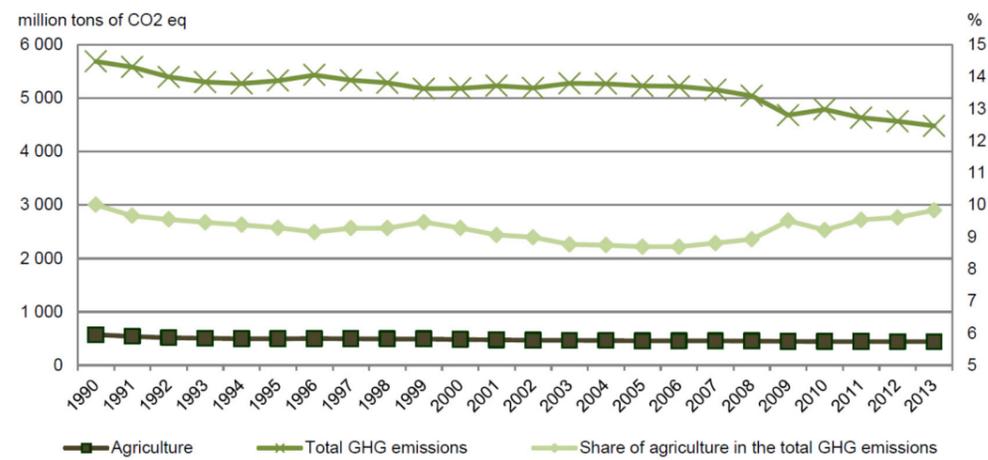
## Climate change

In 2013, greenhouse gas (GHG) emissions from the EU farm sector made up 9.8% of the Union's total emissions. The absolute level of emissions has declined by 24% since 1990 but the rate of decrease slowed substantially in the period 2000-2013 compared with 1990-2000 (from an average of 1.7% per year to 0.7%).

### GHG emissions from agriculture and share in total GHG emissions, 2013



### Evolution of GHG emissions from agriculture in the EU-28 1990-2013





[http://ec.europa.eu/agriculture/index\\_en.htm](http://ec.europa.eu/agriculture/index_en.htm)

[#EU\\_Cork2](#)

Where not otherwise stated, facts and figures used in the publication are based on information provided in rural development programmes as well as CAP context indicators.

Factsheets for each of the 118 rural development programmes are available online:  
[http://ec.europa.eu/agriculture/rural-development-2014-2020/country-files/index\\_en.htm](http://ec.europa.eu/agriculture/rural-development-2014-2020/country-files/index_en.htm)

CAP context indicators are also available on the Commission website:  
[http://ec.europa.eu/agriculture/cap-indicators/context/2015/indicator-table\\_en.pdf](http://ec.europa.eu/agriculture/cap-indicators/context/2015/indicator-table_en.pdf)