

**MEETING WITH THE AUTHORITIES IN GERMANY ON FUNDING PRIORITIES AND THE
RESPECTIVE THEMATIC OBJECTIVES ON THE BASIS OF THE POSITION PAPER FOR GERMANY**

WORKING PAPER ON EAFRD

BERLIN, 27 NOVEMBER 2012

The Position Paper for Germany focuses on three priority clusters for funding

- (1) Reducing regional disparities in competitiveness taking account of demographic change (TO1, TO2, TO3)
- (2) Enhance labour market potential, social inclusion and raise educational achievement (TO8, TO9, TO10)
- (3) Supporting transformation of the energy system and strengthening sustainable use of natural resources (TO4, TO5, TO6)

(1) Reducing regional disparities in competitiveness taking account of demographic change

This cluster is considered to be covered mainly by the ERDF in Germany. However, rural areas specific funding needs are identified and will be mostly depending on EAFRD contributions.

In *TO 1 "Strengthening research, technological development and innovation"*, EAFRD should support fostering knowledge transfer and innovation in agriculture, forestry, and rural areas through:

- Eco-innovation: Invest in innovation for resource and energy efficiency and energy saving, integrated water management, recycling/re-use, and in innovative uses of ecosystem services, biodiversity, carbon sinks and sequestration
- Setting up operational groups bringing together farmers, researchers and civil society in order to implement innovative projects of common interest and forming part of the European Innovation Partnership.
- Promoting training for innovative actions.
- Fostering advisory services to cover special needs like cooperation, very special nature protection measures/ projects and diversification possibilities

In *TO 2 "Enhancing access to, and use and quality of, information and communication technologies"*, EAFRD is foreseen to ensuring full coverage and equal access of ICT in rural areas:

- Investments in the improvement of ICT infrastructure, including sufficient coverage of fast broadband (ongoing challenge parallel to technological developments).

- Using wireless technologies (if possible) in order to make ICT nets available for rural, scarcely populated or topographically difficult areas.

In TO 3 "*Enhancing the competitiveness of SMEs, the agricultural sector (for the EAFRD) and the fisheries and aquaculture sector (for EMFF)*" EAFRD is foreseen to:

- 1) Enhance competitiveness of all types of sustainable agriculture and enhancing farm viability and promoting food chain organisation contributing to sustainable growth in line with the Europe 2020 strategy:
 - Investing in physical assets, subject to a strict targeting according to a precise analysis of the situation considered and of needs of the related rural areas.
 - Supporting producer groups and cooperation between agriculture and processing/ food chain, notably for short supply food chain, especially in "intermediate rural regions".
 - Supporting young farmers, especially in the Southern Länder with mountain areas, in order to boost innovation in the agricultural sector and as a way of dealing with the renewal of generations.
- 2) Enhance the diversification of economic activities in rural areas to create growth and jobs in line with the Europe 2020 strategy:
 - Promoting the diversification of farmers into non-agricultural activities and the setting up of non-agricultural SMEs.
 - Funding the creation, improvement or expansion of all types of small scale infrastructure: especially in the five Eastern Länder, as a key element for the competitiveness of sparsely populated areas and for fighting social and economic decline and depopulation.

(2) Enhance labour market potential, social inclusion and raise educational achievement

This cluster in Germany focuses very much on the ESF funding priorities, although EAFRD has also a role to play, especially in :

TO 9 "*Promoting social inclusion and combating poverty*" by investing in training in rural areas, in particular:

- Promoting professional training focused on the new European challenges (climate change, energy efficiency, biodiversity...) for farm and forest owners, and other actors in rural areas.

(3) Supporting transformation of the energy system and strengthening sustainable use of natural resources

This priority cluster is the most important in terms of EAFRD financing and content. Currently some 44% of the EAFRD in Germany is allocated to activities which contribute to this priority cluster. (The Commission services believe that this share should at least be maintained for the next period).

In *TO 4 "Supporting the shift towards a low-carbon economy in all sectors"* EAFRD should promote low-carbon strategies for rural areas by:

- Reducing nitrous oxide, methane and ammonia emissions from agriculture through support for lower use of nitrogen fertilisers and pesticides, improved livestock management practices (for the treatment of animal waste) and support for more climate-friendly crop rotation.
- Developing ecosystem-based approaches to conserve and enhance natural carbon sequestration and emission reduction through agro-forestry systems, climate-friendly management of forests, maintaining grassland and peat lands.
- Focusing clearly on an economically and ecologically sustainable (water quality, biodiversity, soil) use or production of biomass.

In *TO 5 "Promoting climate change adaptation and risk prevention management"* EAFRD in Germany should:

- Promote the implementation of measures which improve the soil management and increase the percentage of humus in order to ensure sustainable water management, limit erosion and improve CO₂ sequestration, and this through support for practices to prevent soil degradation (low tillage, winter green cover, establishment of agro-forestry systems and new forests).
- Reinforce risk prevention measures, with a special attention on the definition (in due time) of their implementing provisions. Flood prevention plans should be prepared and implemented through adapted investments.
- Support adequate measures in forests in order to prevent forest fire and enhance restoration as well as water and soil protective functions, especially in mountain areas.
- Supporting local resistant crop varieties and livestock breeds as from the beginning of the programming period.

In *TO 6 "Protecting the environment and resource-efficient economy"* EAFRD should focus on restoring, preserving and enhancing ecosystems dependent on agriculture and forestry through:

- Improving the situation for endangered species and habitats which contribute to the targets of Europa 2020 Biodiversity strategy.
- Protection of Natura 2000 areas (15.4 % of the Country's area) and of high nature value farmland (13% of the utilized agricultural area (UAA)).
- Targeting agrienvironmental-climate measures in order to reduce nitrate and phosphorus surpluses as well as to limit the use of plant protection products especially

in specific areas (soil, water). The support to organic farming (5.9 % of the UAA in 2010) should be pursued in relation with appropriate training and use of targeted advisory services in order to achieve the 20% goal of utilised area set by the German authorities.

- Promoting actions on biodiversity, water and soil protection in forest areas (including support to the setting up of forest producer groups).

General requirements and success factors relevant for EAFRD:

- Germany is advised to develop its analysis on environment, climate and energy areas within a comprehensive framework, including a strategy on how to address mitigation and adaptation to climate change, energy and environmental issues in agriculture.
- Germany should develop and improve targeted, regionalised agri-environment and climate actions with measurable impacts. Germany should guarantee availability of necessary advisory services for such a targeted approach. alle MS
- Germany should undertake a cost/ benefit analysis on the National Framework related to the reduction of the administrative burden. A separate programme should be proposed (like in the on-going period) for the National Rural Development Network with a sufficient budget allocation.
- Germany is invited to explain its approach as regards CLLD across the CSF Funds indicating the main challenges, objectives and priorities, the type of territories, the role of local action groups and of different CSF Funds and coordination mechanisms. It should also indicate the way preparatory support will be made available for local actors.
- Germany should evaluate potential scope for joint programmes across Länder borders in view of the high burden for state-cities to manage a separate RDP.
- The EAFRD budget should be allocated to the individual RDPs on the level of the *Länder* according to regional and specific needs, and not only according to an historical basis.
- The definition of appropriate and congruent selection criteria is a key condition for the implementation of the rural development policy
- Cooperation across regions and Member States, such as support the implementation of the EU Strategy for the Baltic Sea Region and the EU Danube Strategy is needed.
- Coordination between the CSF Funds with support from Horizon 2020, and LIFE should be sought.
- Promotion of the use of innovative financial instruments (e.g. guarantee and loan funds)

The link between the EU2020 and the EAFRD



