



European Commission
Agriculture and Rural Development



Rural Development Programme – Opportunities for Small Forest Enterprises

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Unit H.4. Bioenergy, biomass, forestry and climate change



Rural Development 2007-2013

« LEADER Axis »

Axis 1
Competi -
tiveness

Axis 2
Environment
+
Land
Management

Axis 3
Economic
Diver.
+
Quality of
Life

Single set of programming, financing, monitoring, auditing rules

Single Rural Development Fund



Rural Development Regulation 2007-2013 CR (EC) No 1698/2005

Axis 1:

Measures aimed at improving human potential through:

- **Vocational training and information** (measure code 111)
- **Use of advisory services** (114)
- **Setting up** of farm management, farm relief and farm advisory services, as well as of **forestry advisory services** (115)

(Comments: there is no separate budget for forestry related actions in the RDPs.)



Axis 1:

Measures aimed at restructuring physical potential through:

- Modernisation of agricultural holdings (121) (SRC is included to this measure)
- Improving the economic value of forests (122)
- Adding value to primary agricultural and forestry production (123)
- Cooperation for development of new products (124)
- Improving and developing infrastructure related to the development and adaptation agriculture and forestry (125)



Axis 2 : Improving the environment and the countryside

Forestry land:

- first afforestation of agricultural land (221)
- first establishment of agro-forestry systems (222)
- first afforestation of non-agricultural land (223)
- Natura 2000 payments (224)
- forest-environment payments (225)
- restoring forestry potential and introducing prevention actions (226)
- support for non-productive investments (227)



Axis 3 : Diversification, quality of life

- diversification into non-agricultural activities (311)
- support for business creation and development (312)
- encouragement of tourism activities (313)
- basic services for economy and rural population (321)
- Conservation and upgrading of the rural heritage (323)
- Training and capacity building (331)



Axis 4 : Leader

- Implementation of local development strategies through a Leader approach to contribute to the achievement of the objectives of one or several of the three other axes
- Inter-territorial and trans-national cooperation between LAGs
- Capacity building and functioning of LAGs



The distribution of the Community contribution (EAFRD) between the axes

	EUR billion	%
Axis 1	30.9	34,01
Axis 2	39.6	43,65
Axis 3	12.2	13,46
Leader	5.5	6,06
Technical assistance	1.9	2,11
Direct payments BG RO	0.6	0,71
Total	90.8	100

Allocation of funds for forestry measures



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Measures	Foreseen expenditure, EUR million			
	National co-financing	EU contribution (EAFRD)	Private	Total
Improvement of the economic value of forests (122)	348.8	651.8	1 010.0	2 010.7
Axis 1 forestry measure	348.8	651.8	1 010.0	2 010.7
First afforestation of agricultural land (221)	1 248.7	2 410.7	576.0	4 235.3
First establishment of agroforestry systems (222)	9.7	22.7	14.4	46.8
First afforestation of non-agricultural land (223)	235.4	360.8	181.8	778.0
Natura 2000 payments (224)	48.0	110.6	0.0	158.6
Forest-environment payments (225)	173.5	265.3	6.4	445.2
Restoring forestry potential and introducing prevention actions (226)	920.9	1 553.3	307.0	2781.2
Non-productive investments (227)	570.6	809.2	216.9	1596.7
Axis 2 forestry measures	3206.7	5 532.7	1 302.4	10 041.8
Total for the eight forestry-specific measures	3 555.5	6 184.5	2 312.4	12 052.4

Allocation to forestry measures (with separate budget)

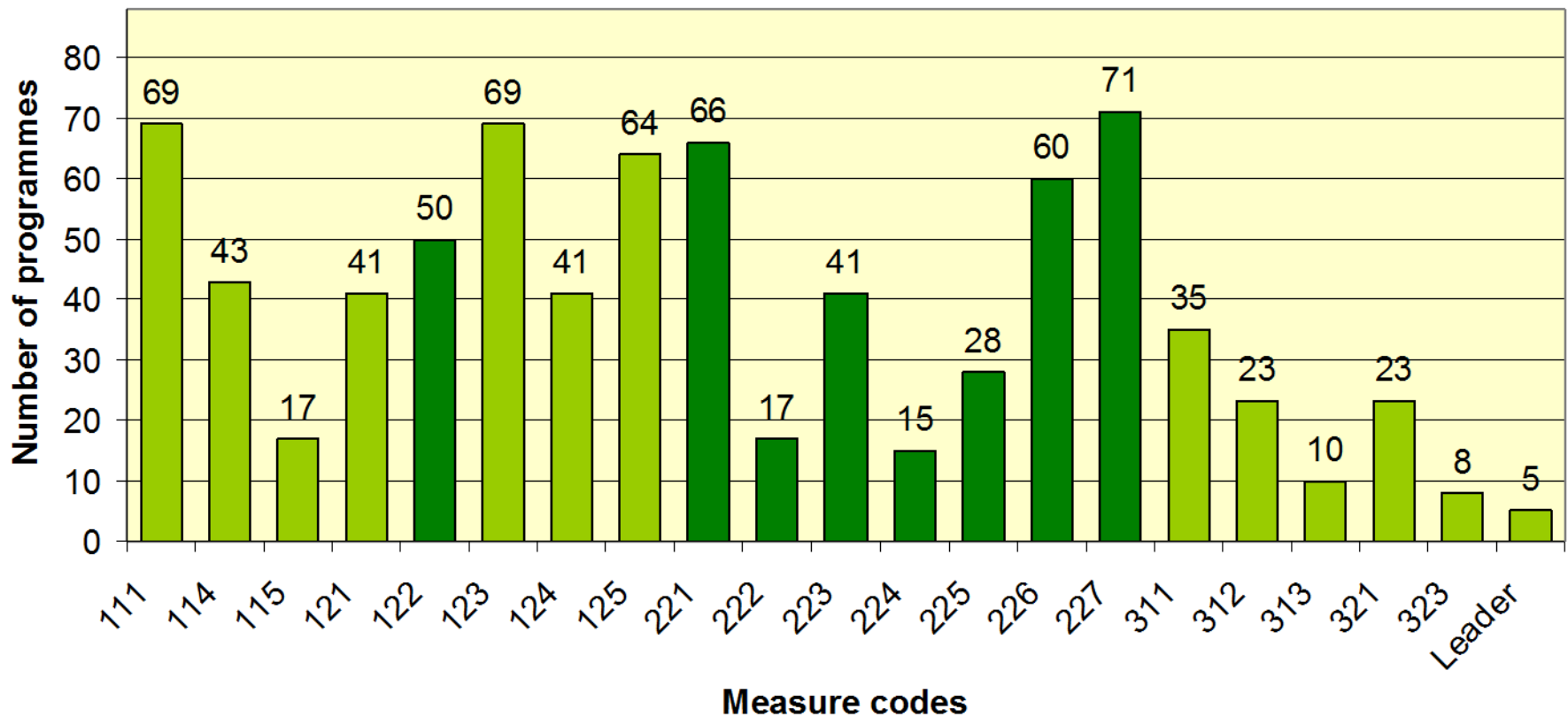


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Allocation to forestry measures (with separate budget)		Expenditures
		EAFRD (x 1,000 000€)
Allocation to Axis 1 measures: Improving the competitiveness of the agricultural and forestry sector		30.879,1
Share of Axis1 from the Grand Total		34,0%
Allocation to measure 122 Improvement of the economic value of forests		651,8
Share of measure 122 from Axis1		2,1%
Share of measure 122 from the Grand Total		0,7%
Allocation to Axis 2 measures Improving the environment and the countryside		39.649,5
Share of Axis2 from the Grand Total		43,7%
Allocation to Forestry measures 221-227		5.532,7
Share of forestry measures 221-227 from Axis2		14,0%
Share of measures 221-227 from the Grand Total		6,1%
Grand Total		90.826,2
Allocation to Forestry measures 122+221-227		6.184,5
Share of Forestry measures from the Grand total		6,8%



Presence of forestry measures and forestry-related actions in the 88 national or regional programmes, by measure





Allocation to forestry measures in **Axis 1**



- As there is only one „exclusive" forestry measure (measure 122) in axis 1 it is difficult to estimate the total share of forestry related expenditure.
- Total expenditure on measure 122, improvement of the economic value of forests, is EUR 651,8 million.
- Considering that forestry is present in 7 other measures it could be estimated that at least EUR 1 – 1,5 billion will be spent on forestry-related actions in axis 1,
 - including training and advisory services, short rotation coppice, projects adding value to forestry products, development of new products, infrastructure as well as on the improvement of the economic value of forests.

Allocation to forestry measures in **Axis 2**



- There are seven forestry measures in axis 2.
- The share of forestry measures from the total of the axis 2 EAFRD budget is EUR 5 532 million, which is about 14 % of the planned EAFRD expenditure for this axis (6.1 % of the total available budget for rural development).
- In terms of expenditure, first afforestation of agricultural land (measure 221) is the main measure of axis 2, receiving 2.7 % of the total community contribution to RD (EUR 2 410 million).
- The second largest measure in axis 2 is restoring of forestry potential and introducing preventive actions (measure 226), which receives 1.7 % of the total EAFRD funding (EUR 1 553 million).



Allocation to forestry related activities in **Axis 3**



- Forestry-related actions are also included in measures under Axis 3:
 - forestry or bioenergy are mentioned
 - in 35 programmes under measure 311 (Diversification into non-agricultural activities)
 - In 23 programmes under measure 312 (Support for business creation and development)
 - in 23 programmes under measure 321 (Basic services) and
 - in 10 programmes under measure 313 (Encouragement of tourism activities)



Summary



- Adding together the financial resources intended to be made available for forestry-specific (EUR 6.2 billion) and forestry-related measures (EUR 1-2 billion) it may be concluded that during the programming period 2007-2013 around EUR 8 billion will be made available from the Community budget (EAFRD) and up to EUR 16 billion in total.
- These amounts correspond respectively to 9 % of the EAFRD funding (the total EAFRD budget is EUR 90.8 billion.) and 7-8 % of the total amount of financial resources made available for implementation of forestry-related measures in the context of implementation of rural development programmes.
- A more accurate estimation can be provided when annual implementation reports become available and the actual uptake of the measures and spending has been analysed.



Expected outputs

Axis 1



- 2.25 million persons engaged in the agriculture, food and forestry sectors will successfully attend a training activity,
- 1.16 million farmers and 82 000 forest owners will be supported in meeting the costs arising from the use of advisory services,
- more than 88 000 forest owners or forest holdings will improve the economic value of their forests, and
- 60 000 enterprises will be helped to add value to agricultural and forestry products.



Expected outputs

Axis 2



- Member States expect that more than 650 000 hectares of agricultural land and close to 240 000 hectares of non-agricultural land will be afforested involving more than 172 000 land owners,
- more than 60 000 private forest owner on 400 000 hectares of forest land will receive a support through Natura 2000 payments,
- forest-environment payments will involve more than 75 000 forest holders on 2 million hectares,
- more than 120 000 restoration and prevention actions on more than 2 million hectares will be supported, and
- 120 000 actions through non-productive investments are planned supporting provision of environmental and social benefits from forests.

Expected outputs

Axis 3



Diversification and quality of life

- As a result of the measures under the axis 3 aiming at diversifying economic activities in rural areas, 71 000 new jobs are foreseen to be created through diversification of farms into non-agricultural activities,
- 114 000 new jobs will be created through support for the creation and development of micro-enterprises, and
- 185 000 new jobs - through expansion of tourism activities.

On the basis of information provided in the programme it is not possible to estimate the number of jobs creates in the forest sector.



- Thank you for your attention