

WORKING DOCUMENT

3rd Modification of the Rural Development Programme of Mecklenburg-West Pomerania 2007-2013 (CCI No. 2007DE06RPO011)

MEMBER STATE: Germany

REGION: Mecklenburg-West Pomerania

1. APPROVED PROGRAMME:

The Rural Development Programme for Mecklenburg-West Pomerania 2007-2013, C(2007)6206 of 5 December 2007

2. LEGAL BASIS FOR THE MODIFICATION

Modification related to the first implementation of Article 16a of Regulation (EC) No 1698/2005

The modification proposal includes:

A. MODIFICATIONS RELATED TO ART. 6(1)a) OF REGULATION (EC) NO 1974/2006 FOLLOWING THE ADOPTION OF THE HEALTH CHECK (HC) AND OF THE EUROPEAN ECONOMY RECOVERY PLAN (EERP)

B. MODIFICATIONS RELATED TO ART. 6(1)c) OF R. 1974/2006 (SEE FURTHER BELOW)

3. REASONS AND ANY IMPLEMENTATION PROBLEMS JUSTIFYING THE AMENDMENT / STRATEGY CHOSEN

As a result of the adoption of the Health Check (HC) and European Economic Recovery Plan (EERP), the additional funds need to be programmed in the Rural Development Programme (RDP) for Mecklenburg-West Pomerania 2007-2013. The reasons justifying the use of additional funds, effects thereof as well as links to the programme strategy and National Strategy Plan have been described in chapter 4 and under the description of each modification.

4. DESCRIPTION OF THE AMENDMENTS PROPOSED:

4.1 New priorities / types of operations

.

Mecklenburg-West Pomerania provides information and justification regarding the measures of the RDP to which the additional funds will be allocated. The additional funds will contribute to the new challenges “climate change”, “water management”, “biodiversity” and “measures accompanying restructuring of the dairy sector”.

Total additional funds:

Health Check	: 76,976,605
Recovery Package	: 6,628,872
Unspent money Article 136	: 9,920,752
Total	: 93,526,229

The total additional amount of €93,526,229¹ EAFRD contribution will be attributed to the following measures:

Code 121 "modernisation of agricultural holdings" €3,551,000
Code 214 "agri-environment payments" €31,115,229
Code 215 "animal welfare payments" €37,500,000
Code 323 "conservation and upgrading of the rural heritage" €21,360,000

In the frame of this revision Mecklenburg-West Pomerania does not alter for the additional funds the Community co-financing rate as provided for in the approved RDP.

Measure 215 is of high importance to accompany the restructuring of the dairy sector and to prepare a 'soft landing' of dairy farms following expiration of milk quotas by 2015. For this reason a new potential effect was included: “Enhancing the animal welfare situation in the dairy sector and the positive environmental effects of the dairy sector”. In Mecklenburg-West Pomerania pasturing of dairy cattle has been less practised during the last years. However, pasture management allows for a natural behaviour of dairy cattle and is therefore an important animal welfare measure. Furthermore, it helps to preserve permanent grassland and the traditional landscape.

Regarding the broadband infrastructure, the level of funding needs is regionally different; hence the broadband infrastructure will be supported by national funds. In 2009 broadband share of online users came to 64,8% while the average for Germany came to 66,9%. Compared with 2008, Mecklenburg-West Pomerania showed the second largest increase of broadband usage with 111 percentage points.

Broadband infrastructure is strongly supported by national funds from the Common Task for Agrarian Structure and Coastal Protection (Gemeinschaftsaufgabe Agrarstruktur und Küstenschutz) with M€3,9 and the German Economic Recovery Plan II with an amount of M€2,7. For the remaining period a total amount of M€5 is still available.

The GAK (*Gemeinschaftsaufgabe "Verbesserung der Agrarstruktur und des Küstenschutzes"* / "joint task *Bund* (Federal State)/*Länder* 'improvement of the agrarian structure and the coastal protection'"), predefines the range of measures included in the National Framework These measures can be co-financed by the *Bund* (60% of the German budget share; for coastal protection measures: 70%).

¹ The total amount of HC and EERP funds has been reduced for 522,387 € due to redistribution of funds among German RDPs.

The selected existing measures to address the new challenges provide continued support and reinforcement of Mecklenburg-West Pomerania's efforts to meet its obligations resulting from Article 16a (3) and 69 (5a) of Regulation (EC) No 1698/2005.

Table 5.3.6 Types of operations to be supported to meet the obligations resulting from Article 16a (3) a) and Article 69(5a) of Regulation (EC) No 1689/2005

Table 5.3.6 provided in the RDP

Axis/measure	Type of operation	Potential effects	"Existing" or "new" type of operation	Reference to the description of the type of operation in the RDP	Output indicator – target
Axis 1 Priority: Measures accompanying restructuring of the dairy sector					
Measure 121	Investment support related to dairy production	Improvement of the competitiveness of the dairy sector	existing	Chapter 5.3.1.2.1	Number of supported holdings: 1,350 Total volume of investments ('000 EUR) 140,000
Axis 2 Priority: Water management					
Measure 214 d	Soil management practices	Contributing to the reduction of losses of different compounds to water, including phosphorus	existing	Chapter 5.3.2.1.4.4	Nr. of supported holdings/contracts : 600 Physical supported area: 40,000 ha
Axis 2 Priority: Biodiversity					
Measure 214 c	Integrated and organic production	Conservation of species-rich vegetation types, protection and maintenance of grasslands	existing	Chapter 5.3.2.1.4.3	Nr. of supported holdings/contracts : 603 Physical supported area: 130,000 ha
Measure 214 e	Construction/management of biotopes/habitats within and outside Natura 2000 sites	Protection of birds and other wildlife and improvement of biotope network,	existing	Chapter 5.3.2.1.4.4	Nr. of supported holdings/contracts : 500 Physical supported area: 1,000 ha

		reducing entry of harmful substances in bordering habitats, conservation of protected fauna and flora			Of which NATURA-2000-area: 350ha Beehives affected: 5,000
Axis 2 Priority: Measures accompanying restructuring of the dairy sector					
Measure 215	Pasturing of dairy cattle	Enhancing the animal welfare situation in the dairy sector and the positive environmental effects of the dairy sector	existing	Chapter 5.3.2.1.5.1 National Framework 4.2.1.5: TS.2, TS.3, TS.4	Nr. of supported holdings/contracts : 500 Total volume of LAU: 140,000
Axis 3 Priority: Water management					
Measure 323 b	Development of semi-natural water bodies Creation of natural banks Meandering rivers	Conservation of high-value water bodies, protection and improvement of water quality	existing	Chapter 5.3.3.2.3.2	Nr. of actions supported: 240 Total volume of investments ('000 EUR) 61,000 Supported water flow line targeted to improve water quality: 540 km
Measure 323 c	Development of semi-natural water bodies Creation of natural banks Meandering rivers	Conservation of high-value water bodies, protection and improvement of water quality	existing	Chapter 5.3.3.2.3.3	Nr. of actions supported: 20 Total volume of investments ('000 EUR) 10,000 Physical area supported to improve water quality: 1,000 ha
Axis 3 Priority: Climate change adaptation and mitigation					
Measure 323 d	Land use change	Reduction of nitrous oxide (N ₂ O), carbon sequestration	existing	Chapter 5.3.3.2.3.4	Physical area supported to protect moors: 10,000 ha Total volume of investments ('000 EUR) 36,000

B. MODIFICATIONS RELATED TO ART. 6(1)c) OF REGULATION (EC) NO 1974/2006

4.2 Description of the amendments proposed to axes and measures

4.2.1 Measure 313 "Encouragement of tourism activities"

Subject of support B: "Projects to develop and/or market tourism services related to rural tourism"

4.2.1.1 Reasons and any implementation problems justifying the amendment

Under the referenced subject of support B of measure code 313 the maximum amount of support for non-investive actions is currently limited with € 10,000 per project. The new maximum amount for non-investive actions shall be €100,000.

After two years of implementation it became evident that this upper ceiling is a handicap for comprehensive and technically demanding marketing projects.

The self-imposed upper ceiling needs to be changed. All other items of the approved measure description remain unchanged.

4.2.1.2 Description of the amendments proposed

The maximum amount of support for non-investive actions is currently limited with €10,000 per project.

Mecklenburg-West Pomerania proposes to delete this upper ceiling without replacement.

4.2.1.3 Expected impact of the amendment

The amendment shall facilitate the implementation of more sophisticated marketing actions necessary for the promotion of tourism in rural areas and shall reply to the increased quality requirements of marketing solutions.

4.2.1.4 Assessment relating to the coherence with the programme strategy and the NSP

The proposed modification is in line with the priorities for axis 3 of the German National Strategy and the Programme Strategy to maintain and improve the leisure and tourism actions in rural areas.

4.2.1.5 Financial impact of the amendment

The modification will have no impact on the financial allocations as they are currently in place.

4.2.2 Measure 322 "village renewal and development"

4.2.2.1 Reasons and any implementation problems justifying the amendment

Decision taken at national level for the GAK

4.2.2.2 Description of the amendments proposed

(1) Current measure description "type, amount and scope of support":

For legal persons under public law that are not covered by the principles for the support of integrated rural development of the NRR: up to a maximum of 45% of eligible expenditure until 31 December 2009. As of 1 January 2010 the aid intensity shall be 35% of the total eligible expenditure;

for operations aimed at implementing local development strategies pursuant to Article 62(1) of Regulation (EC) No 1698/2005: 50%

(2) Proposed modification "type, amount and scope of support":

To delete the new aid intensity rate of 35% as of 1 January 2010, the full text shall read as follows:

For legal persons under public law that are not covered by the principles for the support of integrated rural development of the NRR: up to a maximum of 45% of eligible expenditure;

for operations aimed at implementing local development strategies pursuant to Article 62(1) of Regulation (EC) No 1698/2005: 50%

4.2.2.3 Expected impact of the amendment

The modification is in the interest of a continued measure implementation.

4.2.2.4 Assessment relating to the coherence with the programme strategy and the NSP

The modification proposal refers to the justifications given in the modification request for the National Framework.

4.2.2.5 Financial impact of the amendment

None

4.2.3 Measure 323 g: "conservation and upgrading of the rural heritage"

Submeasure: preservation of cultural monuments in rural areas

4.2.3.1 Reasons and any implementation problems justifying the amendment

The preservation of significant cultural monuments needs to receive additional and higher support by the region in case the project promoter cannot provide sufficient

funds to fully cover his share according to the aid intensity of 80% currently foreseen in the measure description.

The proposed modification – increase of the aid intensity – shall address the financial needs of projects that preserve exceptionally significant cultural monuments.

4.2.3.2 Description of the amendments proposed

Type, amount and scope of support shall be modified as follows:

For municipalities and other bodies of public law the rate of support (aid intensity) shall be increased from currently 80% total eligible cost to 100% of the total eligible cost.

The proposed 100% rate of support is limited to duly justified cases and the following criteria have to be met:

- Firstly, the cultural monument has to be recognized as such by the Office for the Protection of Historical Monuments, and
- Secondly, the conditions of the monument require preservation actions without further delay

4.2.3.3 Expected impact of the amendment

The modification shall provide the necessary financial support for projects that would otherwise not be carried out due to the financial burden for the project promoter on municipal level.

4.2.3.4 Assessment relating to the coherence with the programme strategy and the NSP

The proposed modification is in line with the priorities for axis 3 of the German National Strategy and the Programme Strategy to maintain and improve the leisure and tourism actions in rural areas.

4.2.3.5 Financial impact of the amendment

None, the financial allocation for measure 323 g shall remain unchanged. The total financial allocation 2007-2013 for this measure will be not be affected.

5. GENERAL ASSESSMENT

The amendment is in conformity with the German National Strategy Plan, the regional programme strategy and the German National Framework where relevant.

The changes are in conformity with the Council Regulation (EC) No 1689/2005 and with the Commission regulation (EC) No 1974/2006.

Appraisal of respect of competition rules: Not applicable

6. FINANCING

(1) Tables 6.1, 6.2 and 6.3 provided in the RDP. Detailed information about additional funds received from modulation, recovery package and other sources are addressed in detail in chapter 4.1 of this working document as well as in the tables 6.1, 6.2 and 6.3.

(2) Mecklenburg-West Pomerania does not propose a transfer of funds between axes.

(3) Moreover, Mecklenburg-West Pomerania proposes a transfer of funds within axis 2 from measure code 214 "agri-environmental payments" to measure code 212 "payments to farmers in areas with handicaps, other than mountain areas" in the amount of €17,100,000 (public expenditure).

As justification Mecklenburg-West Pomerania quotes that the modification of this measure on EU-level has been postponed from 2010 until 2014. Therefore, the delimitation of "other less-favoured areas" remains unchanged.

In order to continue with payments under measure code 212 additional funds are necessary and have to be reallocated from other measures within axis 2.

(4) Chapters 8 & 9 "Additional national financing" (top-ups) remain unchanged.

6.1 Annual contribution from the EAFRD (in EUR)

Year	2007	2008	2009	2010	2011	2012	2013	Total
convergence regions	118,939,332	123,593,012	124,313,660	126,400,630	127,891,271	129,449,251	130,963,990	881,551,146
Additional funds from Article 69(5a) of Regulation (EC) No 1698/2005 – convergence region	0	0	3,899,336	15,664,282	20,307,610	24,605,310	29,049,691	93,526,229
Total EAFRD	118,939,332	123,593,012	128,212,996	142,064,912	148,198,881	154,054,561	160,013,681	975,077,375

6.2.1 Financial plan by axis in convergence region (in EUR total period)

Axis	Public contribution

	Total public	EAFRD contribution rate (%)	EAFRD amount
Axis 1	313,287,200	75	234,965,400
Axis 2	275,390,016	80	220,312,013
Axis 3	482,797,600	75	362,098,200
Axis 4	71,294,416	80	57,035,533
Technical assistance	9,520,000	75	7,140,000
Total	1,152,289,232	76.51	881,551,146

6.2.2 Additional funds from Article 69(5a) of Regulation (EC) No 1698/2005 – convergence region

Axis	Public contribution		
	Total public	EAFRD contribution rate (%)	EAFRD amount
Axis 1	4,734,667	75	3,551,000
Axis 2	85,769,036	80	68,615,229
Axis 3	28,480,000	75	21,360,000
Axis 4	0	0	0
Technical assistance	0	0	0
Total	118,983,703	78.60	93,526,229

6.3 Indicative budget related to operations referred to in Article 16a of Regulation (EC) No 1698/2005 between 1 January 2009 and 31 December 2013 (Article 16a(3b) up to the amounts specified in Article 69(5a) of Regulation (EC) No 1698/2005)

Axis/measure	EAFRD contribution for 2009-2013
Axis 1	

Measure 121	3.551.000
Axis 2	
Measure 214	31.115.229
Measure 215	37.500.000
Total axis 2	68,615,229
Axis 3	
Measure 323	21.360.000
related to priorities listed in Article 16a(1), points (a) to (f) of Regulation (EC) No 1698/2005	21.360.000
Total programme	93.526.229
Total under Axis 1, 2 and 3 related to priorities listed in Article 16a(1), points (a) to (f) of Regulation (EC) No 1698/2005	93.526.229
Total under Axis 1, 2 and 3 related to priorities listed in Article 16a(1), point (g) of Regulation (EC) No 1698/2005	0