

Results for Implementation of the Rural Development Programme for Lithuania 2007–2013



EUROPOS ŽEMĖS ŪKIO FONDAS KAIMO PLĖTRAI:
EUROPA INVESTUOJA Į KAIMO VIETOVES



LIETUVOS RESPUBLIKOS
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Support to the Lithuanian Countryside Will Be Granted for Another Seven Years

In all times the development of agriculture in our country has been one of the prime driving forces of Lithuania's economy. After the re-establishment of independence in Lithuania 24 years ago, many political, social and economic changes took place in our country. Among these, most important in the first years of independence were the economic decline, inflation and high unemployment rate. Later, the reviving economy of Lithuania was affected by Russia's economic crisis. Only just after a decade the Lithuanian economy started regaining: consumption went on increasing in the country and unemployment began reducing.

The membership of the Republic of Lithuania in the European Union created favourable conditions for the stable development of the agricultural and food sector and the countryside. The free movement of goods opened an opportunity for the participation in the bigger and more open market, and the Lithuanian agricultural production manufacturers were granted the right to take advantage of a variety of opportunities: support measures for export to the EU countries, favourable conditions for trading with third countries, direct payments which maintained the farmers' income, etc.

The EU support for the Lithuanian Rural Development Programme has a very important social, economic and ecological impact. The rural residents are still dependent on the agricultural production as the main economic activities: of 33 percent of the country's population, almost one-third (27 percent) work in the sectors of agriculture, hunting, and forestry.

Support under the Rural Development Programme for Lithuania 2007–2013 for Lithuanian farmers and agricultural companies is of much help in the more rapid modernization of farms, acquisition of the most advanced agricultural machinery, creation of new jobs for the rural population, planting of forests, development of tourism in the rural areas with infertile soils, which are valuable in terms of recreation, and orientation to alternative non-agricultural activities. It is delightful that rural inhabitants most of all apply for support in the field of agricultural modernization. It means that it is worth to cultivate the land and consequently to earn. It is important that with the development of alternative activities still more people find jobs; therefore, fewer people think of leaving the village or of emigration. The revitalizing and reviving countryside of Lithuania is the backbone of the whole of the state; therefore, of special importance is to promote regional policy which ensures the reduction of the gap between the rural and urban population. Support under the Rural Development Programme for Lithuania 2007–2013, changing rapidly the rural landscape, helps to solve this issue: old crafts are revived, rural communities rallying the rural population become stronger, the rural living environment and landscape is managed and maintained. For instance, within several years, 10,000 rural residents have already replaced their harmful to health asbestos roofs.

Support for the rural population under the Lithuanian Rural Development Programme will be also granted in 2014–2020. The Ministry of Agriculture is working intensively to involve the rural inhabitants into activities promoting rural economy growth and their financial well-being. This is one of the key goals of the Lithuanian Rural Development Programme in the new period.



*Prof. Vigilijus Jukna,
Minister of Agriculture of the Republic of Lithuania*



Introduction

The Rural Development Programme for Lithuania 2007–2013 (RDP) has been developed specifically for Lithuania and was applied throughout the territory of our country. This programme was created in accordance with the National Rural Development strategy for the years 2007–2013. The RDP is targeted at implementing this strategy.

The most important and substantial goal under the RDP is to ensure the competitiveness of agricultural, food and forestry sectors, to provide opportunities for the diversification of the economic activity in the countryside and to improve the quality of life in rural areas. The RDP support is also focused on upholding human values and helping to reduce the gap between urban and rural areas, as well as between separate territories.

Within the seven years of the Rural Development Programme for Lithuania 2007–2013, support, allocated to the agricultural sector representatives, amounted to even some LTL 7.9 billion. The generous support was extended for strengthening of the competitiveness of the agricultural sector and landscape management, small and non-agricultural business, and improvement of the living conditions and employment increase of the rural population.

It is delightful that Lithuanians have been active in using the European Union (EU) support – our country is exceeding the EU average. The total percentage of support utilization in the EU countries is somewhat more than 71 percent, whereas that of Lithuania – over 77 percent. Lithuania is ranked twelfth in the total table of support absorption in the European countries.



Axis I

Improving the Competitiveness of the Agricultural, Food and Forestry Sector

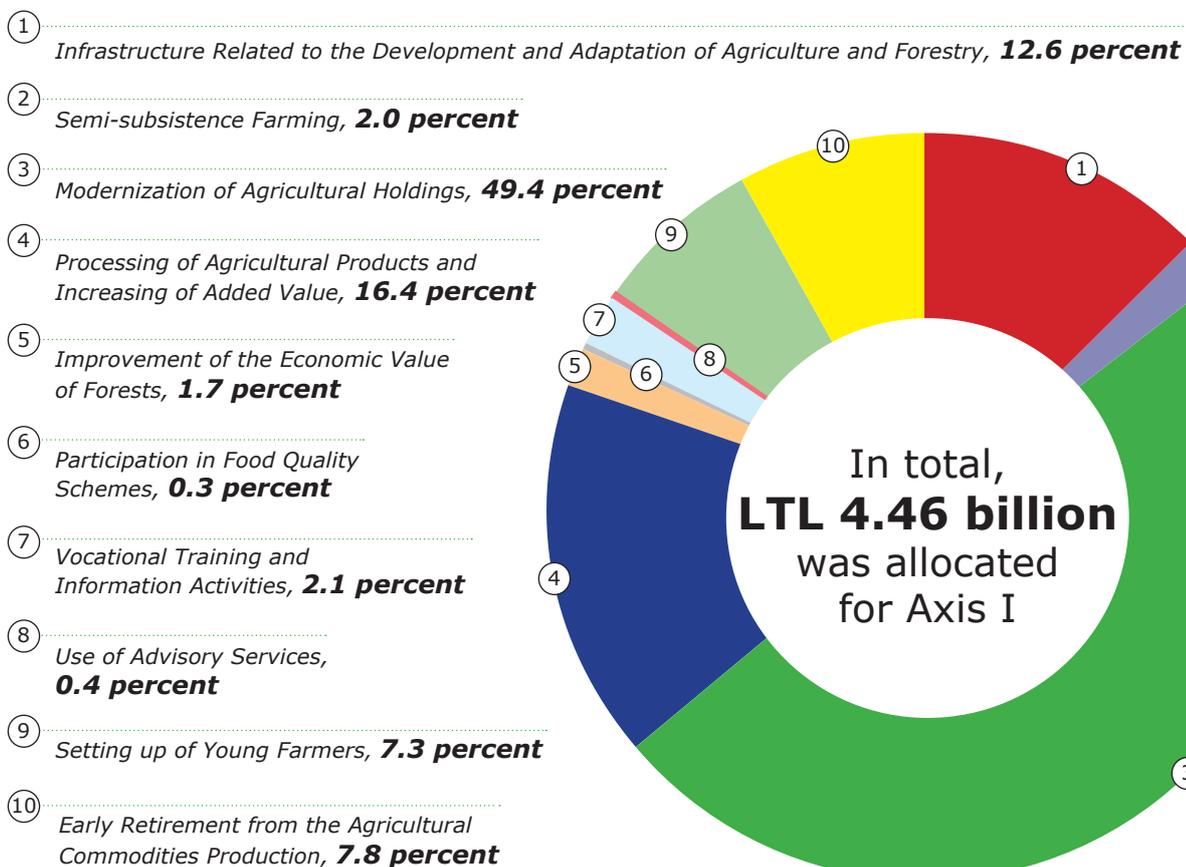
Axis I of the RDP is aimed at developing of competitive agricultural, food and forestry sectors.

Within seven years over 130,000 applications for RDP Axis I measures amounting to more than LTL 3.3 billion have been approved. With a view of implementing the goals under this measure, 84 percent of the allocated support funds were paid out.

The highest amount of support, amounting to LTL 4.46 billion, was granted to implement measures under RDP Axis I, as compared to other axes.

The following measures are attributed to Axis I: "Vocational Training and Information Activities", "Setting up of Young Farmers", "Early Retirement from the Agricultural Commodities Production", "Use of Advisory Services", "Modernization of Agricultural Holdings", "Improvement of the Economic Value of Forests", "Processing of Agricultural Products and Increasing of Added Value", "Infrastructure Related to the Development and Adaptation of Agriculture and Forestry", "Participation in Food Quality Schemes", "Semi-subsistence Farming".

The major support – over LTL 1.6 billion – was provided to the measure "Modernization of Agricultural Holdings". Farmers filed even 13,685 applications for the modernization of agriculture, of which 12,000 have been approved. Over seven years, 93 percent of the support allocated for this measure was paid out. The EU supported such areas of the farmers' activities, like biogas production from farm wastes, implementation of the Nitrates Directive, etc.





A Farm was Transferred to the Daughter

Lithuanian farmers who have used the RDP measure “Early Retirement from the Agricultural Commodities Production” make no secret of the fact that after the support was granted to them they as if acquired a second breath and started enjoying life again. Now they could pay much more attention to their health and leisure pursuits. Last year the Dijokas family, farmers from the Einoraičiai village of the Šiauliai district, took advantage of this measure and decided to build a new house from the support funds received: if we turned over a new leaf in our life, let’s have a new house!

The Dijokai admitted that the measure’s name sounds somewhat gloomy, but actually, the farmers, according to them, after having received the support are not fully pushed aside from the land: they have some of it for their own needs and pleasure, and having more free time, they can find new hobbies and travel. The farmers decided to take advantage of the RDP measure as they possessed wet soils and experienced losses. At present, the Dijokai feel proud not only of their new house, but also of a pond, which was dug in the most humid place, and a recreation zone near it.

To be granted the support, the farmers had to follow certain rules. The core requirement was that after withdrawal from the agricultural commodities production, they were obligated to never come back to this occupation, to indicate in their applications the appropriate farm successors who had to take over all the holdings. The farmers could keep not more than one cow and have not more than 3 ha of farm land for their needs.

Antanina and Algis Dijokai assured that people who decided to withdraw from the production sometimes did not take account of the fact that the farm successor is a family member who also most often participate in other measures under the Rural Development Programme for Lithuania 2007–2013. In summing up, one can see that support coming through the measures of this programme is very weighty. The daughter of the Dijokai, for example, while going to take over her parents’ farm, has become a young farmer, participated in a programme for setting up of young farmers and acquired a modern tractor and plows of three components.



Axis II

Improving the Environment and the Countryside

Axis II of the RDP is targeted

to improve the environment and landscape, to stop the reduction of biodiversity, i.e. to rationally use land resources and support the balanced development of land and forestry.

Under the measures of Axis II of the RDP, 695,187 applications for more than LTL 2.6 billion were approved. To implement the goals under this measure, 88 percent of the allocated support funds were paid out.

Over LTL 3.1 billion was allocated for implementing the measures of Axis II.

Axis II covers the following measures: "Payments to Farmers in Areas with Handicaps, Other than Mountain Areas", "NATURA 2000 Payments Linked to Directive 2000/60/EC", "Agri-environment Payments", "First Afforestation of Agricultural Land", "First Afforestation of Non-agricultural and Abandoned Agricultural Land", "NATURA 2000 Payments", "Forest-environment Payments", "Restoring Forestry Potential and Introducing Prevention Actions", "Non-productive Investments in Forests", "Non-Productive Investments".

The major amount of support – over LTL 1.1 billion – is allocated to the measure "Payments to Farmers in Areas with Handicaps, Other than Mountain Areas". Under this measure, the EU supported the farmers, whose lands are located in less-favoured areas for farming – flooded areas or karst features (formation of sinkholes is characteristic of North Lithuania) zone (mostly in Biržai and Pasvalys districts). Farmers with farms in less-favoured areas filed even 630,020 applications, of which 591,559 have been approved. Under this measure, 95 percent of the allocated support was paid out.

The RDP provides support not only to land cultivation, but also to the efforts to preserve natural meadows and wetlands. The measure "Agri-environment Payments" was created for that purpose. Other activities of special importance for the Lithuanian economy are given support under this measure: organic farming, preservation of Lithuanian endangered indigenous domestic animal breeds, improving the status of water bodies, etc. Over 81,000 applications are approved for implementing these activities. LTL 944.2 million has already reached the supporters of sustainable environment, this making 87 percent of the allocated support funds.

① *Payments to Farmers in Areas with Handicaps, Other than Mountain Areas, **45.3 percent***

② *NATURA 2000 Payments Linked to Directive 2000/60/EC, **0.2 percent***

③ *Natura 2000 Payments, **0.4 percent***

④ *Agri-environment Payments, **34.0 percent***

⑤ *Non-Productive Investments, **0.7 percent***

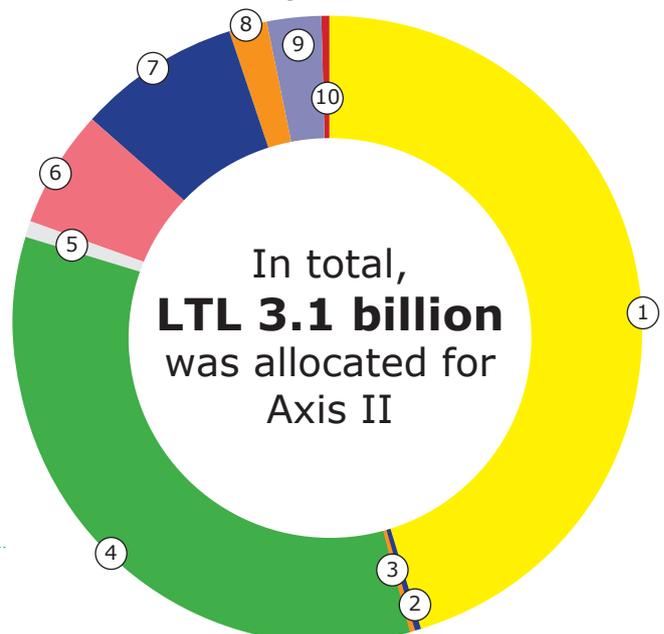
⑥ *First Afforestation of Agricultural Land, **6.1 percent***

⑦ *First Afforestation of Non-agricultural and Abandoned Agricultural Land, **8.3 percent***

⑧ *Restoring Forestry Potential and Introducing Prevention Actions, **2.1 percent***

⑨ *Non-productive Investments in Forests, **2.7 percent***

⑩ *Forest-environment Payments, **0.2 percent***





Childhood Reminiscences Were a Stimulus to Plant the Forest

Laima Kievienė, domiciled in the capital, was used to lease permanently to the farmers her grandparents' land in the Vilkaviškis district. "I had 16 ha of my own land with the fertility of 36 points. I considered what I could undertake as the lease was not of any benefit to the family", told L. Kievienė. According to her, she learnt by chance about the measure "First Afforestation of Agricultural Land" of Axis II "Improving the Environment and the Countryside" under the Rural Development Programme for Lithuania 2007–2013. "I started to take interest in this programme on Internet. I also heard some communications that not all the funds allocated for the programme were used. After some discussions with the family and upon its approval, I decided to afforest 5.6 ha of land," recalled a woman. Later L. Kievienė submitted an application to the National Paying Agency under the Ministry of Agriculture (NPA) and received permission for participation in the programme.

The woman spoke up that she not accidentally became interested in the opportunity to plant the forest; this work from her very childhood was nothing extraordinary to her. "I remember from my early years how my grandma and neighbours used to

plant the forest. My parents had the garden close to our house and I liked to plant an apple-tree or a plum-tree. After making up my mind to participate in the programme, I believed I would be able to plant trees whatever their kind," explained the forest owner who began her sixth decade. The RDP measure "First Afforestation of Agricultural Land" is compensatory, thus in order to receive the support L. Kievienė first of all invested her own funds: bought seedlings and planted them. She received the grant only when she did everything as was required according to the rules.

The woman acquired almost 5,000 seedlings of lime-trees, 2,710 maple-trees, 2,050 birches, 1,030 alders and oaks. "I paid 0.7 Litas per certified maple-tree and oak seedling, LTL 0.6 Litas per alder and 0.5 Litas per birch seedling," told L. Kievienė. Her selection of seedlings from the Dubrava Experimental and Training Forest Enterprise was reasonable – trees got perfectly naturalized, their roots were strong, thus after inspections, performed by the NPA staff, the first payment was paid for the afforestation – almost LTL 40,000. Next five years LTL 10,000 per year will be paid to the forest owner for handling of saplings.



Axis III

The Quality of Life in Rural Areas and Diversification of the Rural Economy.

Axis III of the RDP is aimed

to improve the quality of life and to increase the employment of population in rural areas.

Measures under Axis III of the RDP received 15, 080 applications, of which 11,832 were approved. The requested amount reaches over LTL 805 million. 60 percent of the allocated support funds were paid out.

LTL 1.47 billion was allocated to implement the measures under Axis III of the RDP.

The following measures are covered by Axis III: "Transition to Non-agricultural Activities", "Support for Creating and Developing Business", "Encouragement of Rural Tourism Activities", "Village Renewal and Development", "Establishment and/or Development of Traditional Craft Centres".

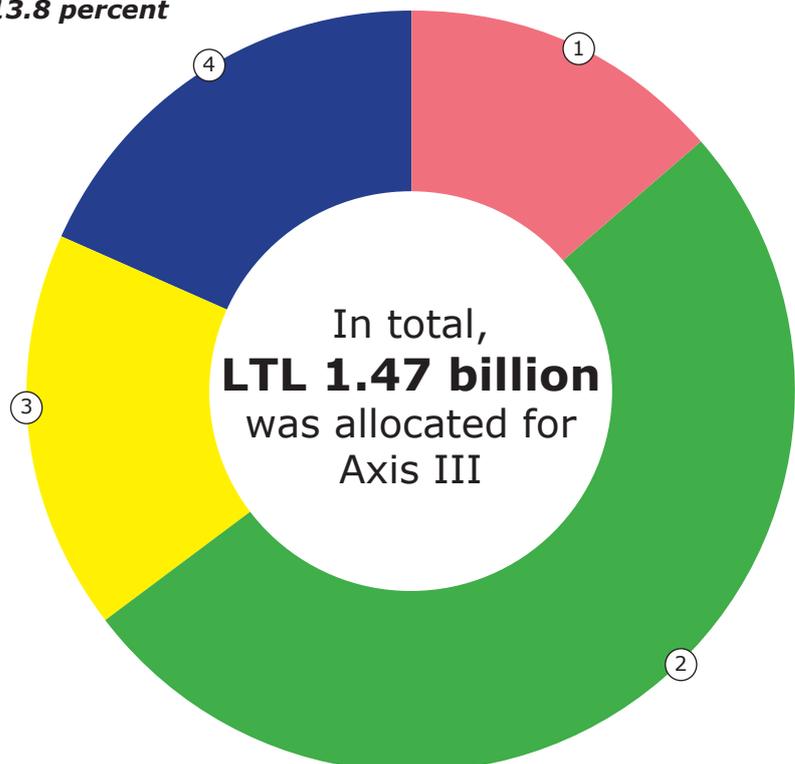
The major share of support was provided for creating and developing business – LTL 353,720,000. Applications for creating and developing business were filed by 1,114 applicants, of which 474 were successful. Measure "Village Renewal and Development", however, was most popular. Of 13,000 applications, 10,803 were given a positive evaluation. The major part of the applications under this measure were approved in seeking to receive support for replacing of asbestos roofs.

① Transition to Non-agricultural Activities, **13.8 percent**

② Support for Creating and Developing Business, **51.1 percent.**

③ Encouragement of Rural Tourism Activities, **17.0 percent**

④ Village Renewal and Development, **18.1 percent**





He Would Also Grant Support to Urban Population

Ramūnas Mykolaitis, a resident from Dotnuva township (Kėdainiai district), after seeing his neighbours replacing an old asbestos roof by a new one, also rushed to do this himself. "I can say I was just in time, since I brought my application at the last week available for their submission", recalled R. Mykolaitis. Applications for this measure were accepted until 30 March 2012.

The Dotnuva resident bought a Lithuanian roof cover, and now almost for two years he

can admire his new and nice roof. "Aesthetically, a view is quite different now", the master of the house was delighted. If he could decide, he would also grant support to the urban people, living in slate-roofed houses, and would allow replacing the roofs of outbuildings. "Asbestos everywhere has the same action and is detrimental to everybody equally", R. Mykolaitis expressed his sincere concern not only for himself, but also for welfare of other people.



Axis IV

Leader Method Implementation

The goal of Axis IV under the RDP is to promote rural development through local initiatives and partnerships.

Over seven years 226 applications were submitted under the measures of Axis IV of the RDP, of which 186 were approved. Almost LTL 470 million was granted for the measures implemented by the Leader Method. The approved grant amount is just by LTL 9 million less. 71 percent of the allocated support funds have been paid out.

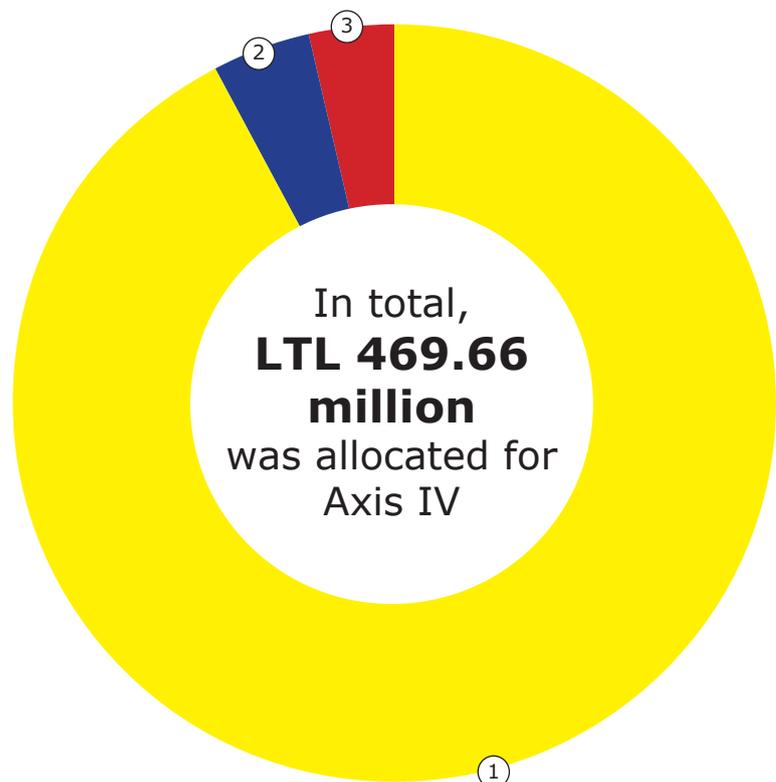
The following measures are attributed to Axis IV: "Implementation of Local Development Strategies", "Interterritorial and Transnational Cooperation", and "Support for LAG (Local Action Groups) Activities, Acquisition of Skills and Their Application". Support for Running the LAG, Acquiring of Skills and Animating the Territory.

The highest amount of support is allocated for the measure "Implementation of Local Development Strategies" – LTL 434,110,000. It is interesting to note that only one application submitted to the LAG received a negative response. Lithuanian LAG Network joins 51 local action groups. All of them have successfully prepared local action strategies and are implementing them. The LAG independently makes calls for local projects, evaluates the eligibility of the applications for support and monitors the implementation of the projects eligible for financing.

① *Implementation of Local Development Strategies (including the requested and approved support for the activity area "Support for LAG Activities" under the measure "Support for LAG Activities, Acquisition of Skills and Their Application", **92.4 percent***

② *Interterritorial and Transnational Cooperation, **4.2 percent***

③ *Support for Running the LAG, Acquiring of Skills and Animating the Territory, **3.4 percent***





Second Breath of the Biliūnai Village

While travelling throughout Lithuania the activity results of the local communities are evident. Without their initiatives and implemented projects our countryside would have a somewhat gaunt look. The rural communities have been concerned with the management of environment and buildings for a good decade, and in the past years they have been still more interested how to adapt the managed infrastructure to alternative activities and thus to raise additional income. On this initiative, bakeries, small food processing enterprises, dress-maker's and hairdresser's shops, craft centres and enterprises involved in some other activities are being set up in the community buildings. One of the most interesting projects, implemented under the measure "Implementation of Local Development Strategies" of Axis IV "Leader Method Implementation", is the centre of traditional crafts, built in the Biliūnai village, Raudondvaris ward, Kaunas district.

The Centre of Traditional Crafts in the suburbs of Kaunas is being created and cared by the gliding enthusiast and constructor Juozapas Liekis. The Centre of Crafts and the unique treasury of technical heritage and ethnic culture exhibits dating to the 19th–20th centuries was set up in the homestead of the founder.

The homestead of Juozapas and Vanda Liekiai has already become the centre of attraction for cultural tourism. Here, upon utilization of the EU support funds, two buildings were erected: a timber-house, where the authentic smithy and education hall are sited, and a two-story framework building sited for the exposition of old technical facilities collected by J. Liekis: agricultural machines, motor vehicles, motor cycles, engines, etc.

In the smithy the forge is brick-laid; the antique leather bellows for blasting fire is installed. Here you can find an authentic anvil weighing even 100 kg and many other blacksmith's tools, collected by J. Liekis, which are used to demonstrate the blacksmith's craft. In the Centre of Traditional Crafts different spinning-wheels, weaving looms, various flax processing tools, yarn twisting tools, etc. from various localities of Lithuania are exposed. These collections are used in preparing educational programmes for both children and adults.

Vytautas Zubas, Kaunas District Local Action Group Chairman, is full of admiration at seeing the initiatives of rural communities. In his opinion, the more our people are independent, full of initiative and more active, the less they glance back at foreign countries and the government.



Lithuanian Rural Network (LRN)



The Rural Development Programme for Lithuania 2007–2013, approved on 19 October 2007, has identified that agricultural and rural development will be sought to be achieved by increasing the competitiveness of agricultural, food and forestry sectors, improving the environment and the countryside, diversification of economic activity and the quality of life in rural areas. It is aimed that rural areas should develop equally and purposefully from economic, social and ecological standpoint. The National Rural Network, encompassing all trends of development identified in the Rural Development Programme for Lithuania 2007–2013, strives to ensure the effective implementation of the RDP and its set goals.

Various institutions and structures, aiming to accelerate the development in rural areas, take part in the agricultural and rural development. The Lithuanian Rural Network (the Network) is set up to strengthen their role in the rural development process, to promote information exchange, good practice and to develop local initiatives and partnerships. It joins for common activity all State and science institutions, non-governmental organizations and organizations representing the business sector, and municipalities, participating in rural development and RDP implementation processes. The network is one of the measures, intended for successful implementation of the RDP.

The mission of the Network is to create an international and national forum to ensure the broad dissemination of information and good practice in the field of rural development, and opportunities for information exchange. Information exchange, good practice sharing and active cooperation shall be ensured at a local, regional, national and international level. It is also sought that dissemination of good practice would cover not only rural development, but also regional development and environmental policy.

The key goal of the Network is to seek for sustainable rural and agricultural development upon joining State institutions, agencies and non-governmental organizations, scientific institutions, and institutions representing the business sector, participating in rural development process.

The Network in implementing the task delegated upon it performs the functions relating to the identification and analysis of transferable good practice, provision of relevant information, organization of experience exchange at national and international level, etc.

The goal of the Network is to join as many as possible organizations, contributing to rural development which forms the core of the Network, as a means (possibility) for active and close cooperation.

In 2009–2013 to allocate LTL 24 million for financing of the Network.





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