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Lithuania's Rural Development Plan

Country profile:

- Size: 65.3 thousand km²; 40% of the total land surface is UAA¹.
- 3.4 million inhabitants; 33.4% live in rural areas,
- Unemployment rate of 7.6% (EU25 – 8.7%), however, long-term unemployment – 4.3 % (EU 25 – 3.9 %)
- Agriculture contributes 5 % to GDP (2006) but 15.8 % to employment (EU 25 = 5 %)
- Fragmented agricultural structures: average farm size of 11.4 ha
- Forest coverage: 32.5 %
- About 43.5% of UAA is classified as less-favoured area
- Large areas of abandoned land (about 500,000 ha or 18 % of UAA)
- Currently 12 % of the total territory under NATURA 2000 (783 000 ha)
- Poor infrastructure (60 % gravel roads; 18 % households with internet, 1/3 with sewage system)
- Poor education levels: only 28 % of rural people with secondary and higher education
- Poor entrepreneurship: 8 SME² per 1000 rural inhabitants (EU 25 = 24)
- The main branches of the agricultural/food sectors are: meat, milk and dairy products, cereals, fruit and vegetable

Chosen strategy corresponding to the profile:

The overall objectives were chosen in accordance with the Community Strategic Guidelines (CSG) and the National Strategy Plan and are:

- To develop modern and competitive agri-food and forestry sectors,
- To improve environment and landscape *to stop decline of biodiversity* through rational use of land resources and promotion of sustainable development of agriculture and forestry,
- To improve the quality of life and increase the employment of rural population in rural areas,
- To promote rural development through local initiatives and partnership.

¹ UAA= Utilized Agricultural Area

² SME = Small and medium enterprise

Budget and share of EU funding

Axis	Total Public Expenditure	Share of EAFRD in Public expenditure in %	EAFRD Contribution
Axis 1	930.197.109	75	697.647.832
Axis 2	824.590.405	80	659.672.324
Axis 3	275.613.992	75	206.710.494
LEADER	136.993.804	80	109.595.043
Technical assistance	92.979.200	75	69.734.400
Total	2.260.374.510	77.13	1.743.360.093

Overall aim of RD programme in country

to ensure growth through improving the competitiveness of agri-food and forestry sectors as well as creating possibilities for diversification of economic activities and improving the quality of life in rural areas meanwhile enhancing the human, environmental and other countryside values and reducing disparities between rural and urban areas as well as separate regions.

Axis 1 budget allocation and main priorities:

EAFRD: € 697.647.832 (40.0 % of programme total)

Total public funding: € 930,197,109

The main emphasis of axis 1 is put on:

- the modernisation, technology and innovation (60.1% of the total per axis);
- improving the structure of farms and forest holdings (34.1%);
- strengthening of human capital (5.7%).

Lithuania intends to support early retirement, setting-up of young farmers, to restructure semi-subsistence farms and to improve forest and agriculture related infrastructure. As regards the improvement of competitiveness, importance is given to the modernisation of agricultural holdings, support for processing and marketing, as well as forestry. Creation of producer groups and the improvement of food quality are also among the measures to implement. However, they will be implemented when the national legal base for these measures has been established. Strengthening of human capital will be complemented by vocational training, diffusion of scientific and innovative practices and use of advisory services.

Axis 2 budget allocation and main priorities:

EAFRD: € 659.672.324 (37.8% of programme total)

Total public funding: € 824.590.405

The main support of axis 2 is planned to be channelled to:

- environmentally friendly practices (23.4% of the total per axis);
- preservation of biodiversity and high nature value landscapes (Natura 2000 and LFA) (59.7%);
- combat climate change (16.9%).

Environmentally friendly practices will be complemented by the landscape stewardship, protection of water bodies, supporting rare breeds and development of organic farming. In addition to this, Lithuania aims to combat climate change through rational use of available land resources (LFA payments, Natura 2000), in particular abandoned agricultural land not used for agriculture as well as sustainable forestry development through afforestation, restoration of damaged forests and forest environment as well as Natura 2000 payments.

Axis 3 budget allocation and main priorities:

EAFRD: €206.710.494 (12.0% of programme total)

Total public funding: € 275.613.992

Specific attention is given to:

- creation of alternative jobs and income sources (75.8% of the total per axis);
- improvement of infrastructure and protection of cultural heritage (24.2%).

Training for this axis interacts with the Structural Funds

Leader budget allocation:

EAFRD: € 109.595.043

Total public funding: € 136,993,804 (or 6,2% of the total allocation for the programme). The support granted will be focused upon three main activities namely:

- implementing local development strategies in order to achieve the goals of the Axis 3 (quality of life, economic diversification, etc.),
- cooperation projects,
- operating the local action group, acquiring skills and animating the territory.

The activity of implementing the local development strategies is allocated 97% of the amount for Leader.