

introduction of support for permanent pasture and the provisions on cross-compliance may also be expected to lead to a more environmentally friendly organisation of agricultural production. Decoupling also helps to reduce alternative expenses in connection with the alternative use of agricultural land, e.g. for leisure and hobby activities provided the areas concerned can continue to serve as a basis for the payment of decoupled support.

## **Rural Development**

### **The Danish rural development programme**

• *Community-based and indigenous approaches to sustainable food production.*

The food sector, which comprises both the primary agricultural industry and manufacturing and processing industries etc., has great potential as a driver of growth in Danish society, and the industry is of particularly great significance in rural areas. At the same time, the primary producers play a great role in managing a valuable natural and cultivated landscape.

Rural development policy forms an integral part of the Common Agricultural Policy (CAP). The rural development programme is an important political instrument to attain the goals of the EU Lisbon Agreement on growth and employment in combination with the sustainable use of natural resources.

• *Integrating rural development strategies into Poverty Reduction Strategies (PRSPs) or other economic-development strategies.*

The rural development programme supplements the other measures in the CAP in several ways. Rural development support complements the direct support under the CAP, partly by promoting sustainable and competitive agricultural and forestry production, promoting positive externalities from

agriculture, including on the environment and nature, and diversification of the economy.

• *Causes of rural-urban migration and policies to reverse this trend.*

• *Main driving forces for economic growth and social development in rural areas (e.g. agriculture, small and medium enterprise development, employment and other non-agricultural sector)*

• *Capacity building for small and medium-sized enterprises.*

• *Environmental consequences of rural development efforts.*

The EU rural development policy has been introduced in recognition of the fact that development in rural areas is generally slower than in the rest of the country. At the same time there is a trend towards agriculture being of declining significance to employment in rural areas. The rural development programme aims to contribute to improve living and working conditions in rural areas. This is to ensure that the land and nature are managed on the basis of the principle of sustainability to the benefit of future generations.

To date the previous Danish rural development programme has been principally focused on primary agriculture, including the promotion of particularly environmentally friendly land use. In the present programme the focus is being extended to a greater degree to the food chain and activities in the rural areas not directly linked to the food sector. General development in the rural areas is to a greater extent now the main issue.

The Rural Development Regulation provides a way of promoting knowledge and improving human potential and restructuring and developing physical potential. These opportunities are exploited in the rural development programme to boost the development of new products, processes and technologies and contribute to the dissemination of knowledge, which creates a market for these new products, processes and technologies. The dissemination of knowledge thus supports market opportunities for the innovative results achieved, for example through cooperation projects.

The Danish rural development programme is an implementation of the EU regulation on support for the

development of rural areas. The overall aim of the regulation is to promote sustainable development in rural areas as a supplement to market policy. This overall aim is expressed through four overall goals for the programme:

- Greater competitiveness in the agricultural, food and forestry sectors
- Attractive living conditions in rural areas, which contribute to strong cohesiveness between countryside and town
- More entrepreneurs and local jobs in rural areas
- Varied landscapes, rich nature and a clean environment.

*Greater competitiveness in agricultural, food and forestry sectors*

One of the main objects of the programme is to strengthen business development in the agricultural, forestry and food sectors in order to boost innovation and competitiveness. Emphasis is put on creating better coherence between research, application-oriented development, testing, demonstration and final investments.

Innovation activities aims at creating new and better foods of high quality, including organic food production. There is a focus on investments in better animal welfare, as well as on the development and application of new environmentally friendly technologies. This includes non-food production, primarily aimed at increasing the supply of sustainable energy sources.

*Attractive living conditions in rural areas, which contribute*

*to strong cohesiveness between countryside and town*

• *Planning and development of land resources involving all land stakeholders, including indigenous and landless population; strengthened role of land administration systems.*

Attractive living conditions in rural areas depend on a large number of factors such as job opportunities, supply of services and quality of nature. Circumstances differ from one place to another, and the challenges are not identical. A commitment is therefore made to local forms of cooperation, which in the individual rural areas establish better conditions for good quality of life. If good quality of life is to be attained in rural areas, it is important that people have an opportunity to create their own frameworks and influence their own local area, so that they have the greatest possible influence on their own living situation. The initiative will therefore be implemented via local action groups.

The initiative is equally divided between a targeted initiative to create jobs and more general measures that improve living conditions in rural areas. These activities should be seen in the light of the challenges which the Ministry of the Interior and Health and the Ministry of Food, Agriculture and Fisheries have identified through their cooperation on the 2004 rural development report (*Landdistriktsredegørelse*). Especially in relation to the structure of business life – including the employment and housing situation – there is considered to be a need for improving the situation, particularly on the islands and in the other peripheral municipalities.

• *Improved access to basic services and infrastructure in rural areas (e.g. adequate shelter, education, employment opportunities, health, sanitation)*

The quality-of-life initiative focuses on creating more cultural facilities, easing access to information and communication technology, contributing to creating the necessary service facilities and providing better opportunities to utilise nature in rural areas, etc. The purpose is to make these areas more attractive places to live.

Local action groups can be established throughout the country. However, only approved action groups can obtain support under the rural development programme and only

projects proposed by the relevant local action group will be able to receive support.

The selected local action groups will devise development strategies and help to activate and utilise the local development potential, in close cooperation with other regional and local strategies and plans.

The close coordination of policies and strategies will be ensured by involving municipal councils and growth forums in connection with the preparation of the development strategies of the local action groups.

### ***More entrepreneurs and local jobs in rural areas***

- *Causes of rural-urban migration and policies to reverse this trend.*
- *Main driving forces for economic growth and social development in rural areas (e.g. agriculture, small and medium enterprise development, employment and other non-agricultural sector)*
- *Capacity building for small and medium-sized enterprises.*

The EU's strategic guidelines for rural development policy indicate that the EU's Lisbon employment target is to be pursued with the help of the rural development policy. These objectives are pursued with the special long-term commitment to ensure the competitiveness of the food industries: a commitment that also reflects the EU's strategic guidelines and emphasises knowledge-transfer, innovation and quality as focal areas for efforts to improve the competitiveness of agriculture and forestry.

- *Enhancement in sustainable tourism development.*

The initiative to increase the number of jobs focuses on lending support to entrepreneurs in rural areas. It may be farmers who diversify their activities and partly convert to non-agricultural activities. Or it may be entirely new entrepreneurs who convert new ideas into business, or it may be tourist activities which use the special qualities of the areas.

- *Policies and programmes to achieve food security and sustainable agriculture*
- *Integrated assessment of social-economic and environmental potentials of land resources.*

### ***Varied landscapes, rich nature and a clean environment***

The environment and landscape in Denmark will be improved via implementation of the Aquatic Environment Plan III initiative for the establishment of wetland areas and set-aside

land in border strips next to lakes and watercourses. At a secondary level, objectives relating to multifunctional agriculture and forestry will be pursued, including the promotion of organic farming. The two initiatives, together with action to implement existing agreements on environmentally friendly agriculture from previous programmes, will contribute to compliance with the commitments under the EU Natura 2000 Directive and Water Framework Directive.

In the light of the nature- and environment-related challenges expected due to the implementation of the Water Framework Directive and the Natura 2000 directives, a more project-oriented approach will be adopted to fulfil the nature and environmental goals in geographically defined areas.

• *Application of techniques and methodologies for assessing the potential adverse effect of climate change on wetlands.*

Through preservation and development of nature-friendly methods of agriculture and forestry the initiatives will also contribute to fulfil Denmark's commitments in relation to the preservation of biological diversity and the aims of the Kyoto Protocol to limit climate change.

• *Local community-based programmes to sustainably enhance the productivity of land and the efficient use of water resources.*

In addition, an initiative to maintain agricultural production on selected islands with specific obstacles for agricultural production will be continued. A number of small and medium-sized islands have been designated as less favoured areas in Denmark.

## Agriculture and climate changes

### Adaptation

In the coming 100 year period climate changes are expected, for the most commonly used emissions scenarios, to lead to increases in the annual mean temperature of 3-5 C. The winter precipitation will increase by 20-40% and summer