

Rural Development Programme (RDP) of Aragón, Spain

Programa de Desarrollo Rural de Aragón 2007-2013 – April 2010¹
(*Rural Development Programme of Aragón 2007-2013*)

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<http://portal.aragon.es/portal/page/portal/AGR/DESARROLLO>



Map of Aragón

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Other useful links:

Rural Development Programme (RDP):

http://ec.europa.eu/agriculture/rurdev/enrd/countryinformation/programming/index_en.htm,

National Strategic Plan (NSP):

http://www.mapa.es/es/desarrollo/pags/programacion/plan_estrategico/plan_estrategico.htm

Spanish National Rural Network (NRN):

<http://www.mapa.es/es/desarrollo/pags/RedRuralNacional/Presentacion/presentacion.htm>

General socio-economic situation in rural areas in the Aragón region

Aragón's RDP notes the region has a total surface of 47,719 km² and had a population of around 1,267,000 inhabitants in 2005. It is located in the northeast of the Iberian peninsula in one of the most dynamic national spaces, the river Ebro valley, and presents a strong rural-urban duality which is translated into an important internal demographic and economic imbalance. Some 97% of the territory and 42% of the population is considered rural. Baseline data from the RDP indicates that Aragón's rural areas attract 40 % of regional employment and generate 38% of the region's total Gross Value Added (GVA).

Main socio economic strengths include low unemployment rates (much below the national average), highly qualified human resources, high productivity in irrigation areas, gradually increasing size of agricultural holdings, competitive and high quality livestock sectors (bovine, porcine and autochthonous ovine breeds), agri-food sector with growth potential, progressive integration of the environment into agricultural activities, growing diversification of the rural economy (e.g. tourism, hunting, crafts, renewable energies). One of the main weaknesses is

¹ Latest updated RDP, following the adoption of the Health Check and European Economic Recovery Package and additional funds from Modulation (i.e. adjustments between Pillar 1 (Agriculture) & 2 (Rural Development) of the Common Agricultural Policy (CAP).

the acute rural-urban duality and concentration of the population and economic activity in the region's capital Zaragoza, which is translated into a significant internal demographic and economic imbalance. Demographic ageing further contributes to the depopulation of rural areas. Other weaknesses noted in the RDP documents include low activity rates, excessive dispersal of small businesses (99.2% SMEs with 0-50 employees), deficiencies in rural infrastructures and insufficient development of IT in rural areas, climate conditions that do not allow versatility of dry land crops (arid climate and water deficits), limited diversification of agricultural production, small economic dimension of farms, high differences between irrigation and dry land surfaces (low profitability of dry land crops), scarce generation of value added in the agri-food industry (productivities lower than the national average of the sector). In terms of the environment, the region has a large variety and richness of landscapes, protected spaces and species, Natura 2000 areas, extensive dry land systems of high natural value and a positive evolution in the quality of surface waters. It is one of the principal wind energy producers of Spain and has a high potential for the production of biomass. However, one of the most important environmental problems is the process of soil deterioration as a result of erosion and desertification. Other environmental weaknesses include water pollution by nitrates (especially in vulnerable areas, half of which correspond to the region's irrigated crops) and significant agricultural surface located in Less Favoured Areas.

RDP strategic objectives

Linked to the above situation, in particular to the regional demographic and economic imbalance, the global objective of the RDP is to guarantee sustainability (economic, social and environmental) of rural area contributions to the articulation of the regional territory and to curb the processes of depopulation and abandonment of agricultural land.

The following strategic objectives are defined:

- 1) Improve the competitiveness of the agricultural, forestry and agri-food sectors;
- 2) Improve the environment and the rural environment;
- 3) Increase the socio-economic attractiveness of rural areas and development of their potential; and
- 4) Promote governance in rural areas.

The overall objectives were chosen in accordance with the Community Strategic Guidelines (CSG), the National Strategy Plan and the Spanish National Framework. The RDP objectives are therefore consistent with national objectives, such as the fight against depopulation, articulation of the territory, diversification of the rural economy and improvement in the quality of life. The protection and conservation of the territory is coherent with the CSG.

Following the CAP Health Check, and in recognition of the greater emphasis now being given to the 'new challenges' facing agriculture and rural areas, the RDP was revised in 2009. The original RDP was considered to be sufficiently strong in the addressing new challenges linked to dairy restructuring, climate change, biodiversity and renewable energy but water management was considered a priority for additional RDP resources. Aragón's farmers remain highly dependent on irrigation and agriculture accounts approximately 80% of regional water consumption.

Improving rural broadband services was considered to be well covered by other EU and national sources, hence the RDP revisions allocated all additional funding provided by the

European Economic Recovery Package to reinforce regional water management capacities.

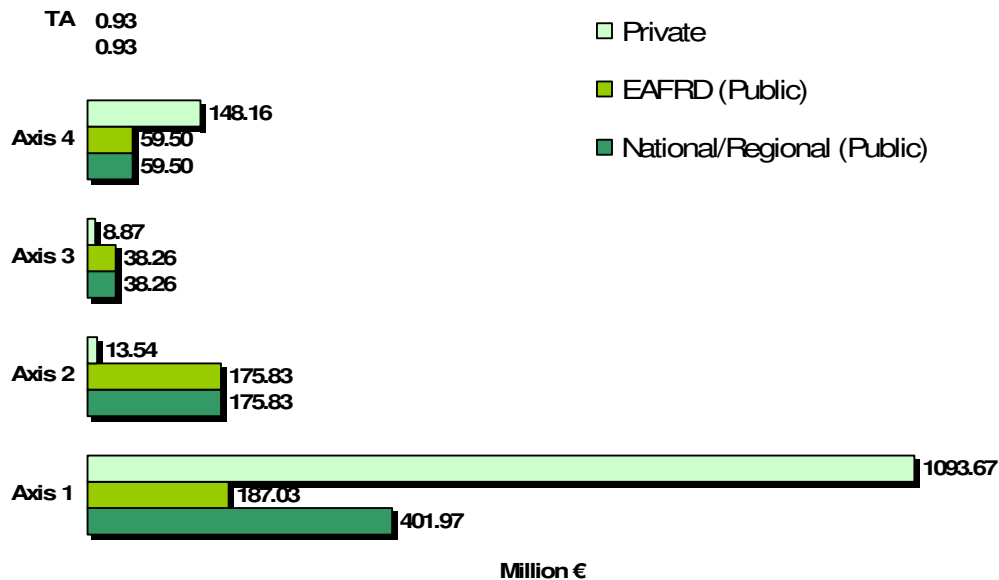
Further funds allocated to the revised RDP (from Modulation and wine reform) have been channelled into increasing the number of farmers benefiting from advisory services and agricultural holdings undertaking modernisation actions. Agri-environment payments were also revised to include intensified support for mountainous and other disadvantaged areas.

Expected impact / outcomes of the policies

Expected RDP economic outcomes include improved competitiveness and sustainability conditions of the agri-food industry and the agrarian sector in general. More specific impacts include a 20% increase in production related directly to the agri-food industry, an increase in agricultural incomes, a 1-1.5% increase in regional economic growth, a 12% increase in agricultural productivity, improvement in the quality of production, enhancement of human capital, employment creation (equivalent to around 2% of total regional employment) and increased value added of agricultural products. Expected environmental outcomes are related to improvements in water management for irrigation purposes, conservation and valorisation of agrarian systems of high natural value, especially steppe areas related to arid dry land crops and alpine meadows, and contribution to the fight against climate change mitigation. Expected socio-territorial outcomes include a decline in rural depopulation, especially in low demographic density areas. More specific impacts include slowing down the disappearance of marginal farms in disadvantaged areas, increased access of rural population to basic services and infrastructure, generation of alternative resources such as tourism and crafts, employment creation and overall improvement in the quality of life and maintaining the population in the territory.

Modifications to the RDP following 2009's amendments are expected to contribute to a more efficient use of water resources. Changes in the financial allocations to five measures under axes 1 and 2 will increase the number of farmers and farms supported as well as the number and types of operations. The programme has adapted / corrected impact indicators in relation to productivity and economic growth and modified / adapted result indicators as described below under each axis.

RDP budget breakdown axis: Total indicative expenditure (including national/regional + EAFRD + private funding) of €2,402,271,950



The indicative RDP budget allocations are broadly divided into four main areas of expenditure, known as axes (namely: Improving the competitiveness of the agricultural and forestry sector; Improving the environment and the countryside; Quality of life in rural areas and diversification of the rural economy; and Leader). Approximately 70% of the overall RDP budget in Aragón is allocated to axis 1 (€ 1,682.7 million). Approximately 15% is allocated to axis 2 (€ 365.2 million), 4% to axis 3 (€ 85.4 million) and 11% to axis 4 (€ 267.2 million), with 0.1% available to fund Technical Assistance (€ 1.9 million).

Within axis 1, National/Regional public funding represents approximately 24% share of the axis funding; EAFRD 11%; and private funds 65%.

Within axis 2, National/Regional public funding represents approximately 48% share of the axis funding; EAFRD 48%; and private funds 4%.

Within axis 3, National/Regional public funding represents approximately 45% share of the axis funding; EAFRD 45% and private funds 10%.

Within axis 4, National/Regional public funding represents approximately 22% share of the axis funding; EAFRD 22%; and private funds 55%.

Within technical assistance, National/Regional public funding represents approximately 50% share of the technical assistance funding and EAFRD 50%.

As part of 2009's RDP revisions, the Aragón region was assigned an additional €71,797,544 (including €47,386,379 EAFRD and €24,411,165 regional/national public funds) to support improved water management. Additional public funds from the wine reform and Modulation as well as some funds freed from sub-measure 125.1 (management of water resources) amount to €24,659,643 were provided to bolster advisory services, modernisation of agricultural holdings, agri-environment payments and support to farmers in mountainous and other disadvantaged areas. The revised RDP total budget including public, private and EAFRD contributions is €2,402,271,950.

Axis Information²

Axis 1 objectives - Competitiveness

The emphasis of this axis is on adding value to agricultural and forestry products (measure 123), improving and developing infrastructure related to the development and adaptation of agriculture and forestry (measure 125) and farm modernisation (measure 121).

Strategic objectives	Specific objectives
Promote knowledge and improve human capital	<ul style="list-style-type: none"> - Revitalise agricultural assets. - Improve qualification of agrarian human resources. - Increase the participation of women in the rural economy. - Increase the technological level and innovation in the agriculture and food sector.
Restructure and develop the physical potential through the promotion of innovation	<ul style="list-style-type: none"> - Increase the economic dimension of agricultural holdings. - Improve the plot structure in agricultural holdings. - Improve per capita agricultural income. - Promote the diversification of agrarian production. - Improve labour productivity of the agri-food complex. - Increase the generation of value added in the agri-food complex. - Promote cooperation in the agri-food sector. - Improve efficiency in the use of water. - Improve protection capacity against natural risks and catastrophes.
Improve the production quality of agricultural products	<ul style="list-style-type: none"> - Increase the production of differentiated and regulated quality. - Support the adaptation of agricultural holdings and production to new quality standards and requirements.

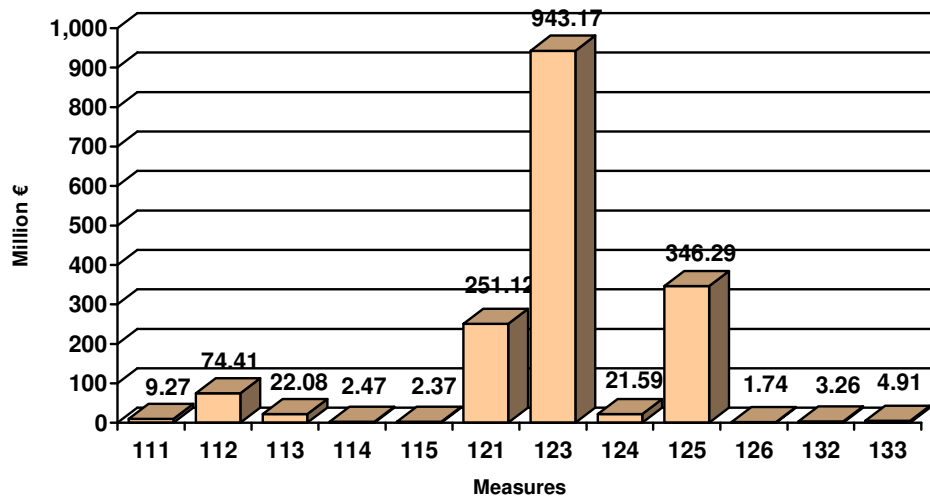
Result targets for axis 1 include 15,900 farmers that have successfully completed training activities, an increase in the gross value added of subsidised farms and enterprises of up to 35%, 10% of agricultural holdings or enterprises that have incorporated new products or techniques, 15% of the value of agricultural production regulated by recognised quality standards.

Axis 1 actions benefited from the 2009 RDP revisions. More support was provided for operations under measure 125 regarding improved efficiency of existing irrigation systems (no increase in irrigation surfaces is foreseen) and innovation in water management

² A full list of the RDP measures can be found in Annex I.

effectiveness. Consequently, modifications to RDP indicators were made to measure 125.1 during the 2009 revision process. Gross value added of subsidised farms and enterprises are now expected to increase by €740 per holding and total savings in water consumption are anticipated at 531 m³/ha. Increased targets were also applied to measures 114 (advisory services) and 121 (modernisation of agricultural holdings). They include an increase in the targets for the numbers of farmers that benefit from advisory services (from 1,000 to 3,000) and an increase in the number of agricultural holdings and the type of operations subsidised under modernisation of agricultural holdings.

Axis 1 indicative budget breakdown by measure: Total indicative allocated budget (including regional/national public funds + EAFRD + private funds) of €1,682,674,174



Following the 2009 RDP update, the total axis 1 indicative budget is €1,682,674,174. This includes an additional €71,797,544 (€47,386,379 EAFRD + €24,411,165 national/regional public) for improving management of water resources (measure 125.1). Furthermore, an additional €440,230 of EAFRD was allocated to measure 114 (advisory services) and €4,728,110 of EAFRD to measure 121 (modernisation of agricultural holdings) from Modulation and wine reform. This is targeted at supporting existing operations under these measures and increasing the numbers of farmers, farms and operations supported.

Axis 2 objectives - Sustainability and natural environment

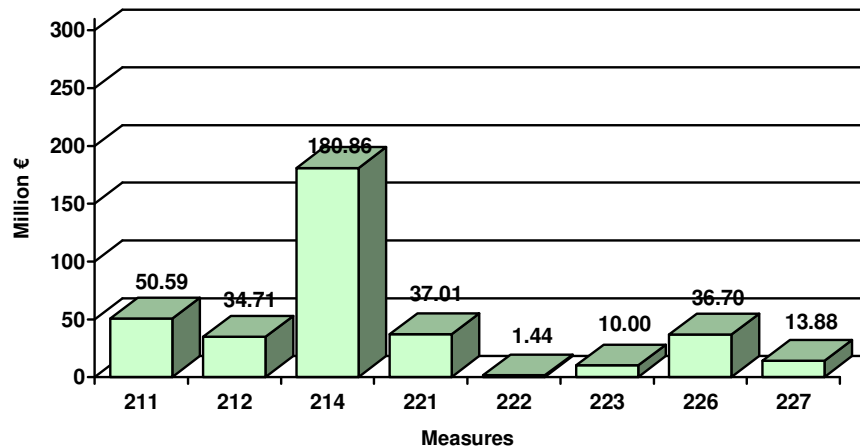
This axis is heavily focused on agri-environmental payments (measure 214). There is also an emphasis on natural handicap payments to farmers in mountainous and other disadvantaged areas (measures 211 and 212) and to restoring forestry potential and introducing prevention actions (measure 226).

Strategic objectives	Specific objectives
Promote the sustainable use of agricultural land	<ul style="list-style-type: none"> - Increase the surface and numbers of organic livestock farming. - Increase the surface destined to integrated production. - Preserve and improve biodiversity associated with agrarian ecosystems. - Increase the compensation of agrarian services of environmental character not remunerated by the market. - Increase the adoption other environmental commitments in forest lands. - Reduce and valorise discharge and waste from the agri-food complex.
Preserve and valorise natural heritage	<ul style="list-style-type: none"> - Improve the conditions for the protection, conservation and management of the natural environment. - Increase forest surface of high ecological quality. - Preserve and valorise agrarian systems of high natural value. - Improve spatial planning and the defence capacity of forest spaces. - Improve the defensive capacity against natural risks and catastrophes. - Improve the exploitation of forest spaces and resources. - Preserve biodiversity.

Result targets for axis 2 operations include a surface area of up to 530,000 ha that contributes to improvement of biodiversity and agriculture of high natural value, improvement of water quality, fight against climate change, improvement of soil quality and avoiding land marginalisation and abandonment.

Modifications as a result of the 2009 RDP changes led to five new sub-measures being added to measure 214 for agri-environment operations. These relate to the production of foodstuff for endangered bird species, maintenance of grazing, organic livestock breeding, organic farming in vineyards located in semi-arid areas and steep slopes and anti-erosion agriculture in those vineyards.

Axis 2 indicative budget breakdown by measure: Total indicative allocated budget (including regional/national public funds + EAFRD + private funds) of €365,198,043



Following the 2009 RDP update, the total axis 1 indicative budget is €365,198,043. Modifications to funding under the axis included further support for measures 211 and 212 (support to farmers in mountainous and other disadvantaged areas, which are predicted to increase commitments by an additional €6,906,242 (including €3,453,121 EAFRD and €101,865 national/regional public funding). Similarly, measure 214 (agri-environmental payments) is expected to increase overall expenditure by an additional €27,000,000 (containing €13,500,000 EAFRD and €13,500,000 national/regional public funding).

Axis 3 objectives - Diversification of the quality of life in rural areas

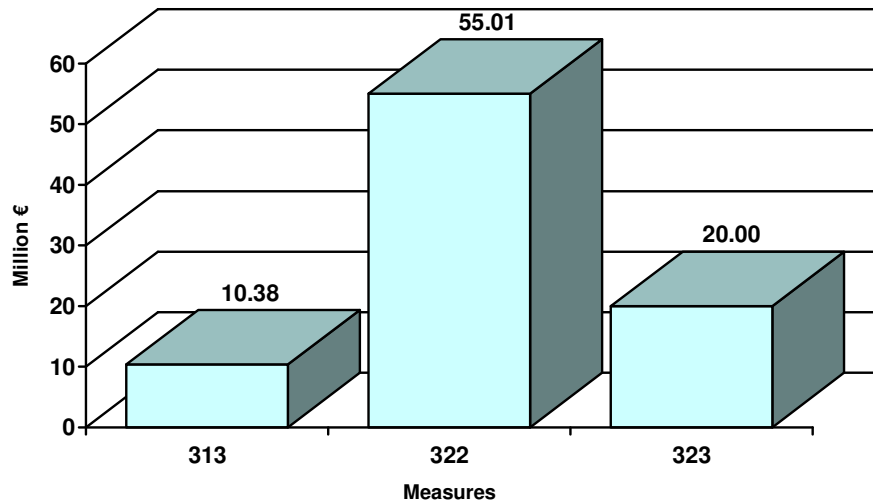
The main priority of this axis is village renewal and development (measure 322, 64%). This is followed by the improvement of rural heritage (measure 323, 23%) and the promotion of rural tourism (measure 313, 12%).

Strategic objectives	Specific objectives
Diversification of the rural economy	<ul style="list-style-type: none"> - Promote the development of other, non-agrarian activities. - Promote the creation of micro-enterprises. - Encourage rural tourism.
Improve the quality of life in rural areas	<ul style="list-style-type: none"> - Improve infrastructure and basic services in rural areas. - Ensure and improve access of rural areas to new information and communication technologies (NICT). - Preserve and improve rural heritage.

Result targets for axis 3 measures include a €276 million increase in GVA of subsidised SMEs and microenterprises, gross employment creation of up to 1,500, 7,000 additional tourists, an increase in the population benefiting from improved services of up to 130,000, 3,500 people that have completed satisfactorily training courses.

There were no changes to axis 3 results targets or budget as a result of the 2009 RDP revision.

Axis 3 indicative budget breakdown by measure: Total indicative allocated budget (including regional/national public funds + EAFRD + private funds) of €85,382,999



Axis 4 objectives - Development of the local capacity and diversification

Axis 4 (Leader) is devoted to the implementation of measures from axis 1 and axis 3. The emphasis is on quality of life and diversification (measure 413, 75%), competitiveness (measure 411, 17%).

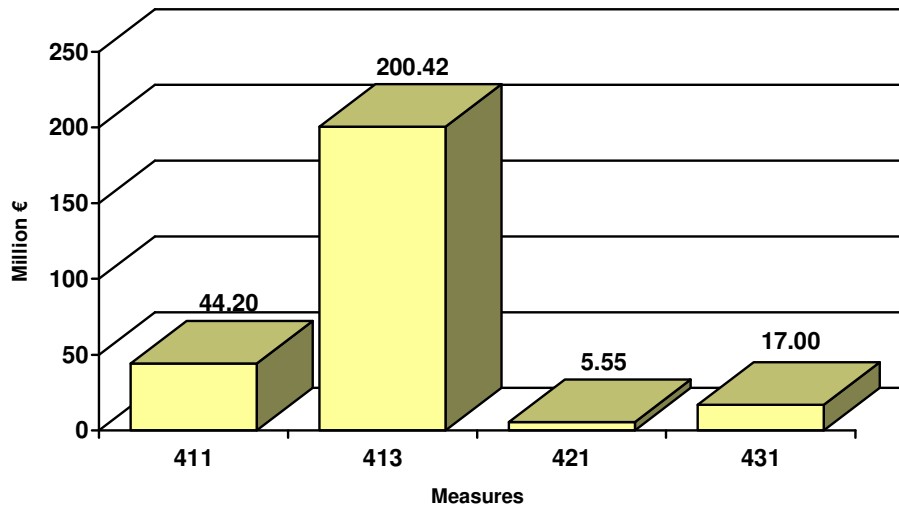
Strategic objectives	Specific objectives
Promote governance	<ul style="list-style-type: none"> - Apply the territorial approach to local development strategies. - Guarantee territorial coverage of LAGs. - Improve the representatives, transparency and effectiveness of LAGs. - Improve the capacity to promote dynamic local development.

Result targets for axis 4 include up to 4,000 employment posts created or maintained, 3,200 training activities implemented, 60 additional employment posts created and 200 capacity building activities related to the Leader method.

Number of LAGs operational in the RDP areas as of March 2010 was 20.

There were no modifications to axis 4 result targets or budget as a result of the 2009 RDP revision.

Axis 4 indicative budget breakdown by measure: Total indicative allocated budget (including regional/national public funds + EAFRD + private funds) of €267,161,000



Monitoring and evaluation strategy

The RDP's monitoring system provides information on programme implementation through financial, output and result indicators. The Monitoring Committee uses this information to propose necessary amendments of the RDP. The programme is subject to a continuous evaluation system that involves annual interim reports on the development of activities, as well as a midterm and an ex post evaluation to be carried out by independent evaluators. The objectives of the evaluations are to improve the quality and increase the effectiveness and efficiency of programme implementation.

RDP evaluations use the output, results and impact indicators defined by the Common Monitoring and Evaluation Framework (CMEF) and disaggregated where possible by age and gender. Additional output indicators are related to professional training and information activities (e.g. number of demonstration projects, number of publications developed and distributed, number of irrigation communities that benefitted from training actions, etc.), increase in the value added of agri-forestry products (e.g. number of projects that introduce innovations), numbers of subsidised cooperation initiatives (e.g. length of new rural roads, irrigation surface modernised, etc.), participation of farmers in quality programmes (e.g. increased number of quality programmes, increased numbers of livestock that participate in quality programmes, etc.), non-productive investments (e.g. number of projects), village renewal (e.g. number of implemented actions), preservation and improvement of rural heritage (e.g. number of management plans for protected spaces, etc.). Additional impact indicators are related to the growth of agri-food production, the increase of agrarian income, improvement of labour productivity and improvement of agri-environmental management.

Communication and publicity

The main components of the communication and publicity strategy are: a) dissemination of programming, with the aim to inform on the existence of the RDP to society at large; b) information to beneficiaries of the EU contribution, with the aim to inform actual beneficiaries of the financial contribution of EAFRD and the relation of the support they receive with the relevant RDP priority; c) dissemination of results and the role of the EU, with the aim to inform on the measures financed by the RDP and their main results. Target groups include: for the first component all potential and actual beneficiaries (including farmers, professional agrarian organisations, social partners, LAGs, economic, social and environmental actors, public authorities, organisations related to gender equality, youth promotion, etc.); for the second component actual beneficiaries; and for the third component the public in general. A variety of communication tools will be used to support these actions, including information in the media, information services to beneficiaries and the public, audiovisual tools, leaflets and publications, web page.

Annex I – Measures

Measures selected by the RDP	Measures selected by the updated RDP
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Axis 1 - Improving the competitiveness of the agricultural and forestry sector	<i>Promoting knowledge and improving human potential</i>	111	Vocational training and information actions
		112	Setting up of young farmers
		113	Early retirement
		114	Use of advisory services
		115	Setting up of management, relief and advisory services
	<i>Restructuring and developing physical potential and promoting innovation</i>	121	Modernisation of agricultural holdings
		122	Improvement of the economic value of forests
		123	Adding value to agricultural and forestry products
		124	Cooperation for development of new products, processes and technologies in the agriculture and food sector and in the forestry sector
		125	Infrastructure related to the development and adaptation of agriculture and forestry
		126	Restoring agricultural production potential
	<i>Quality of agricultural production and products</i>	131	Meeting standards based on EU legislation
		132	Participation of farmers in food quality schemes
		133	Information and promotion activities
	<i>Transitional measures</i>	141	Semi-subsistence farming
142		Producer groups	
143		Providing farm advisory and extension services	
Axis 2 - Improving the environment and the countryside	<i>Sustainable use of agricultural land</i>	211	Natural handicap payments to farmers in mountain areas
		212	Payments to farmers in areas with handicaps, other than mountain areas
		213	Natura 2000 payments and payments linked to Directive 2000/60/EC
		214	Agri-environment payments
		215	Animal welfare payments
		216	Non-productive investments
	<i>Sustainable use of forestry land</i>	221	First afforestation of agricultural land
		222	First establishment of agroforestry systems on agricultural land
		223	First afforestation of non-agricultural land
		224	Natura 2000 payments
		225	Forest-environment payments
		226	Restoring forestry potential and introducing prevention actions
		227	Non-productive investments
		Axis 3 - Quality of life in rural areas and diversification of the rural economy	<i>Diversify the rural economy</i>
312	Support for business creation and development		
313	Encouragement of tourism activities		
<i>Improve the quality of life in rural areas</i>	321		Basic services for the economy and rural population
	322		Village renewal and development
	323		Conservation and upgrading of the rural heritage
	331		Training and information
	341		Skills-acquisition and animation measure with a view to preparing and implementing a local development strategy
Axis 4 - Leader	<i>Implementing local development strategies</i>	411	Competitiveness
		412	Environment/land management
		413	Quality of life/diversification
	421	Implementing cooperation projects	
	431	Running the LAG, skills acquisition, animation	