

Rural Development Programme (RDP) of Asturias, Spain

Programa de Desarrollo Rural del Principado de Asturias – March 2010¹
(Rural Development Programme of the Principality of Asturias)

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Map of Asturias
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Other useful links:

Rural Development Programme (RDP):

<http://www.mapa.es/es/desarrollo/pags/programacion/programas/programas.htm>

National Strategy Plan (NSP):

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

National Rural Network (NRN):

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

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

The Principality of Asturias is located on the northern coast of Spain, covering an area of 10,604 km². Asturias is a predominantly rural region with almost 35% of its population living in rural municipalities, while a large proportion (80%) of the territory is classified as less favoured areas. It is a region 'phasing out' from being a convergence region, and RDP baseline figures noted the GDP per capita as 83% of the Spanish average in 2006.

Socio economic strengths include livestock production (primary focus in agriculture, mainly milk and beef) of high quality standards, important forest activity (social, economic and environmental value), increasing economic diversification, privileged natural and cultural heritage, and significant progress in the development of infrastructures. Weaknesses highlighted in the RDP documents include an unemployment rate of 8.1% (2006), low occupation and activity rates (especially among women), low contribution of agriculture to employment (5.9%, as opposed to 30.5% and 63.6% of the secondary and tertiary sectors respectively), excessive reliance on livestock production and the forest sector in agriculture, low importance of the agri-food industry, an ageing population (22% higher than the national average), low level of education and training in the agriculture sector, adaptability problems of SMEs, limited ICT use in rural areas and need for more socio-economic infrastructures. In terms of the environment, 70% of the territory is covered by forests and 21.67% of the territory is covered by the Natura 2000 network. However, there is increasing contamination by agricultural activities.

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).

RDP strategic objectives

The RDP's priorities and objectives can be summarised under four headings:

- 1) Competitiveness of farming and forestry;
- 2) Sustainability and natural environment;
- 3) Diversification of the economy and quality of life in rural areas;
- 4) Development of the local capacity and diversification.

These objectives respond to identified needs, namely: the dependency of the primary sector on livestock production (especially beef) and on the forest sector; maintaining natural and cultural heritage under serious risk from high number of forest fires; improving rural business diversification using tourism and environmental opportunities as key economic drivers. The programme aims to address these needs in order to have an impact on the sustainability, cohesion and economic growth of rural areas.

Following the CAP Health Check (HC) and the European Economic Recovery Package (EERP), the RDP was revised in 2009 to further highlight the environmental challenges facing the sector and stressing in particular the restructuring of the dairy sector from an environmental point of view.

Asturian's agricultural economy is characterised by the predominance of livestock production, in particular the bovine and dairy sectors. The bovine sector is one of the fundamental pillars of the regional economy due to its contribution to agricultural production as well as its role in territorial management and in the maintenance of the rural area's socio-economic fabric. Dairy production represents 40% of agricultural production in Asturias and it is also a key supplier for the local food industry, which in turn represents a significant part of employment and value added in the regional agri-food sector. For these reasons and taking also into account the expected market changes as a result of the HC and the EERP, the additional funds provided during the 2009 RDP modification have been concentrated on one measure that helps the dairy sector adapt to these new conditions. In addition, funds stemming from the wine reform and Modulation are being reallocated to also support the dairy sector.

This new RDP emphasis on dairy producers is consistent with Spain's national rural development priorities which stress the role of dairy restructuring in addressing new challenge such as biodiversity conservation.

In addition, the revised RDP transferred resources within the existing budget to increase support for modernisation of farm holdings and reduce RDP assistance for advisory services, which are being funded from non-RDP sources.

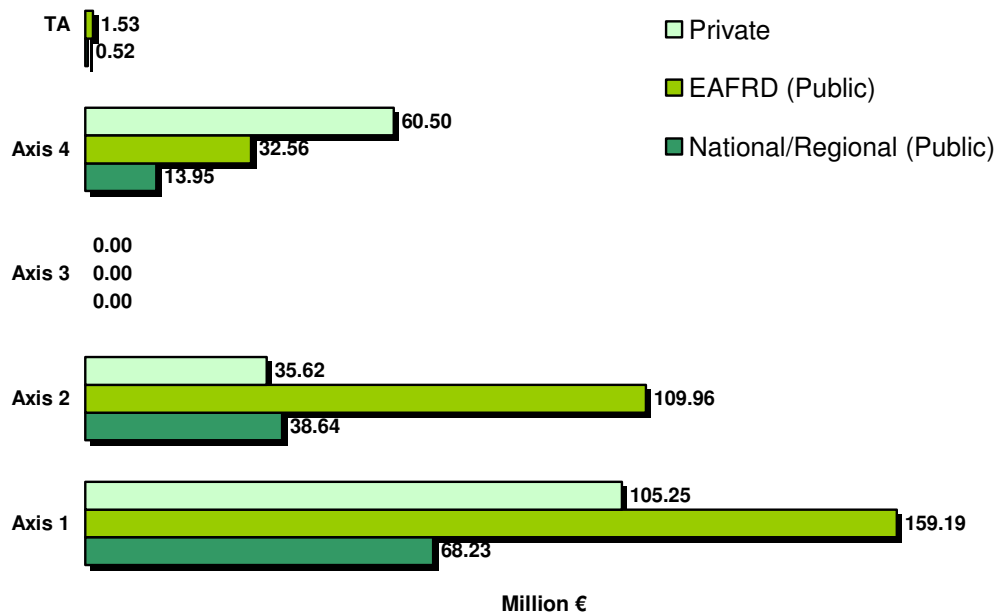
Expected impact / outcomes of the policies

The programme is expected to generate positive outcomes in terms of effective production, Gross Value Added (GVA) and employment. It is also expected to: increase the competitiveness of agriculture and forest activities through support to restructuring, development and innovation; improve the environment in rural areas through support for land management; improve the quality of life in rural areas and promote diversification of economic activity. There is emphasis on the expected environmental impacts and contribution to regional environmental objectives. These include: sustainable development of agriculture; improved preservation of natural and protected spaces; conservation of traditional cultivation

systems and extensive pasture systems; cultivation practices that prevent soil erosion; promotion of forest ecosystems as sources of renewable resources; promotion of organic farming; achievement of good water quality; sustainable management of water resources (improved irrigation systems, use of pollution control systems that minimise the impact on the environment; application of best available techniques and agricultural practices in the use of fertilisers; development of renewable energy sources (energy crops and biomass); reduction of emissions and compliance with the Kyoto Protocol.

Following the 2009 RDP update, there are no implications for impact indicators but a number of output indicators have been revised to reflect the additional emphasis on dairy support and farm modifications. These are explained in the individual axes sections below.

RDP budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding) of €625,950,748



The 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 53% of the overall RDP budget in Asturias is allocated to axis 1 (€332.7 million); approximately 29% is allocated to axis 2 (€184.2 million), 0% to axis 3 (since axis 3 measures are financed by axis 4) and 17% to axis 4 (€107.01 million), with 0.3% available to fund Technical Assistance (€2.05 million).

Within axis 1, National/Regional public funding represents approximately 21% share of the axis funding; EAFRD 48%; and private funds 32%.

Within axis 2, National/Regional public funding represents approximately 21% share of the

axis funding; EAFRD 60%; and private funds 19%.

Within axis 4, National/Regional public funding represents approximately 13% share of the axis funding; EAFRD 30%; and private funds 57%.

Within technical assistance, National/Regional public funding represents approximately 25% share of the technical assistance funding and EAFRD 70%.

Following the 2009's revisions, the RDP now has total budget allocation of €625,950,748 (including €303,244,250 of EAFRD and €121,336,498 of regional/national public funds).

Axis Information²

Axis 1 objectives - Competitiveness

The emphasis of this axis is on adding value to agricultural and forestry products (measure 123, 30% of total budget in this axis), supporting early retirement (29%, measure 113), farm modernisation (18%, measure 121) and improving and developing infrastructure related to the development and adaptation of agriculture and forestry (15%, measure 125).

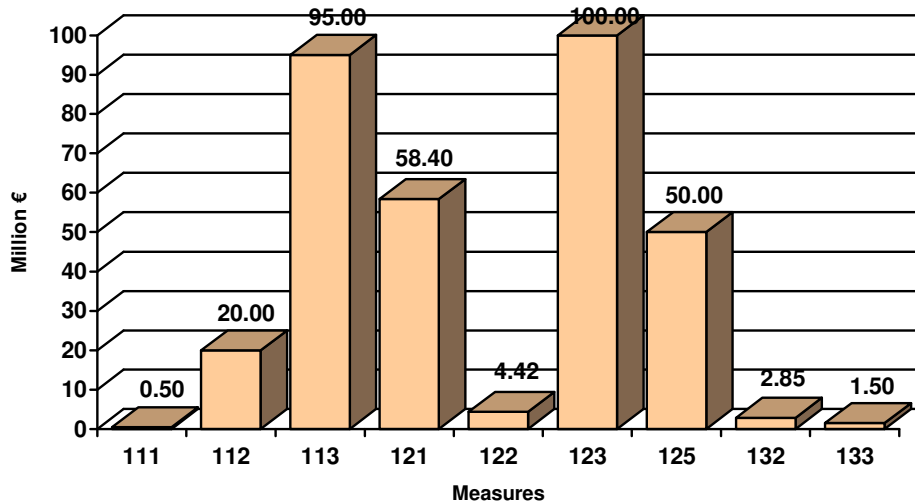
| Strategic objectives | Specific objectives |
|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Renovate agricultural and forest holdings in order to improve their competitiveness | <ul style="list-style-type: none"> - Revitalise rural areas through the set up of young farmers - Modernise agricultural holdings - Anticipate early retirement |
| Improve infrastructures and services linked to productive development of exploitations. | <ul style="list-style-type: none"> - Improve and develop agricultural and forest infrastructure - Improve skills and knowledge through information and capacity building - Increase provision of services to agricultural and forest holdings |
| Strengthen key elements in the value chain of agricultural production: industrialisation and commercialisation | <ul style="list-style-type: none"> - Increase value added of agricultural and forest products - Improve the quality of agri-food production |

Result targets by 2013 for axis 1 include a 45% increase in the number of farmers that have successfully completed training activities, an 8% increase in gross value added of subsidised farms and enterprises, an increase in the number of agricultural holdings or enterprises that have incorporated new products or techniques from 400 to 3,200, an 18% increase in the value of agricultural production regulated by recognised quality standards and a 7% increase in the number of agricultural holdings per year that are introduced into the market.

No net changes occurred to axis 1 result indicators during the 2009 revisions.

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

Axis 1 budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €332,670,000



Following the 2009 RDP update, the total budget amount for axis 1 is €332,670,000. Modifications made to the measure level budgets during 2009 involved transferring funds across measures, such as the transfer of funds from measures 114 and 115 to measure 121 (modernisation of agricultural holdings) and measures 132 and 133 (quality schemes and information/promotion activities respectively).

Axis 2 objectives - Sustainability and natural environment

The emphasis of this axis is on first afforestation of agricultural land (measure 223), followed by support to farmers in mountainous areas (measure 211), restoring forestry potential (measure 226), agri-environment payments (measure 214) and Natura 2000 payments (measure 213).

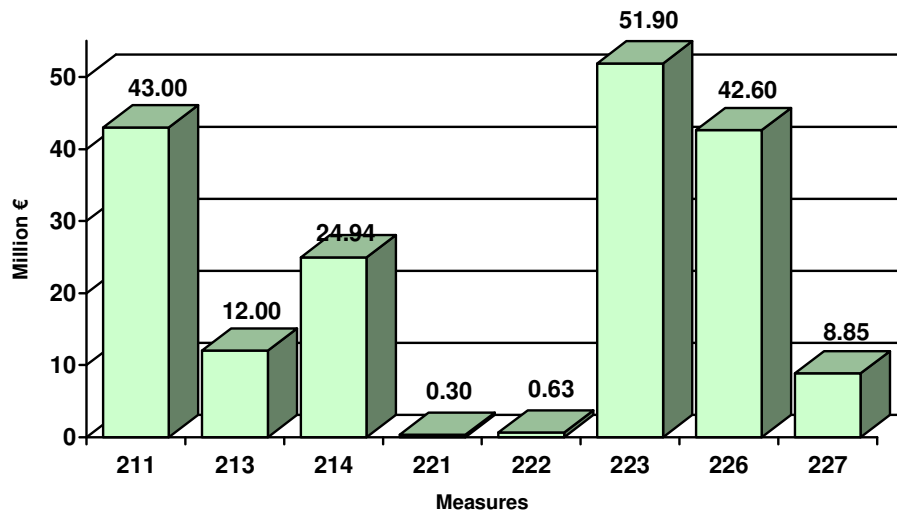
| Strategic objectives | Specific objectives |
|-------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Make economic activity compatible with the sustainable use of resources | <ul style="list-style-type: none"> - Provide compensation to farmers in disadvantaged areas - Support Natura 2000 sites |
| Improve the sustainable use of forest and agricultural holdings | <ul style="list-style-type: none"> - Promote the sustainable development of forests through forest-environmental payments - Promote the sustainable development of agriculture through agri-environment payments |

Result targets for axis 2 include land area that contributes to an improvement of biodiversity and agriculture of high natural value, a 4% increase in the surface that contributes to an improvement of water quality, fight against climate change and improvement of soil quality and a 2.4% increase in the area that contributes to avoiding land marginalisation and abandonment.

Modifications as a result of the HC and the EERP apply to output indicators in terms of the number of beneficiaries in the dairy sector (1,500) and the volume of investments (€9.9

million). This additional support is being implemented through a new sub-measure under measure 214 on "agro-environmental aid for the promotion of grazing in dairy farms" under certain conditions such as maintenance of the diversity of flora, maintenance of parcels of fields for grazing and harvest, grazing rotation, maintenance of a register, livestock weight on the field.

Axis 2 budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €184,220,271



Following the 2009 revisions, the total axis 2 budget is €184,220,271. Modifications to funding under the axis are focused entirely on further support for measure 214 (agri-environmental payments, which received €9,951,636 of additional funds (€7,364,211 EAFRD and €2,587,425 national/regional public funds). This additional support goes entirely to finance the new sub-measure under measure 214 and further funds of €733,990 EAFRD have been provided for this sub-measure from the wine reform and Modulation. Finally, measure 212 (support to farmers in non-mountainous disadvantaged areas) has been removed and its budget transferred to measure 211 (support to farmers in mountainous areas), following a review of the definition of "mountainous areas".

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

The emphasis of this axis is on diversification of the rural economy and improvement in the quality of life in the rural areas. Axis 3 operations are financed totally by the axis 4 budget.

| Strategic objectives | Specific objectives |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Contribute to diversification of the rural economy | <ul style="list-style-type: none"> - Contribute to diversification towards non-agricultural activities in the rural sector - Support the creation and development of micro-enterprises - Promote rural tourism activities |
| Increase quality of life in rural areas | <ul style="list-style-type: none"> - Improve basic infrastructure and services in the rural sector |

| | |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> - Promote renovation and development of the rural population - Improve skills through training and information - Endow rural areas with capacities with a view to develop and implement local development strategies |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Result targets for axis 3 by 2013 include €64 million of GVA of subsidised SMEs and microenterprises, 1,600 gross employment creation, 80,000 additional number of tourists, 350,000 rural population benefiting from improved services, penetration of internet in rural areas to increase from 25% to 45% and 1,500 number of people that have completed satisfactorily training courses.

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

Axis 3 budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of € zero

All measures under axis 3 are financed through the axis 4 budget.

Axis 4 objectives - Development of the local capacity and diversification

The emphasis of axis 4 is by far on quality of life and diversification (measure 413, 93% of the total budget for this axis).

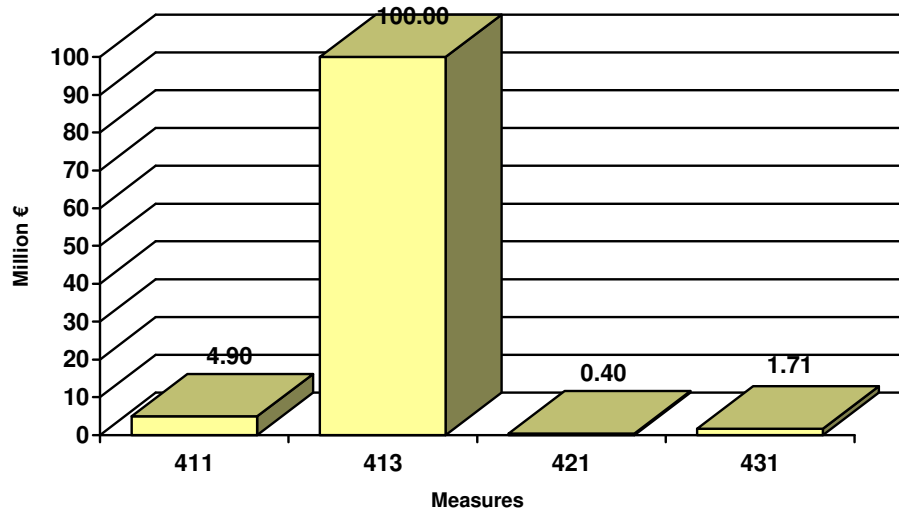
| Main objectives |
|------------------------------------------------------------------------------------------------------------------------------------------|
| - Contribute to the objectives of axes 1 and 3 through the rural development strategies and participation of economic and social actors. |
| - Improvement in local governance and promotion of cooperation between the private and public sectors. |
| - Mobilisation of the endogenous development potential of rural areas. |

Output targets for 2013 include the maintenance of the number of Local Action Groups (LAGs), a 100% increase in the number of projects covered by LAGs and a 100% increase in the number of beneficiaries.

Number of LAGs operational in the RDP areas as of March 2010 was 11.

There were no modifications to indicators or budgets in axis 4 stemming from 2009's RDP amendments.

Axis 4 budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €107,014,286



The total axis 4 budget remains is €107,014,285 and the revised RDP stresses the importance of balancing gender equality issues in grant allocations.

Monitoring and evaluation strategy

The 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 for subsequent years.

The evaluation strategy comprises an interim 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. The evaluations will use the output, results and impact indicators defined by the CMEF.

Additional thematic evaluations are foreseen, namely:

- an ex ante evaluation on the implementation of the Leader approach during the selection process of LAGs
- an evaluation on the integration of the horizontal principle on environment (foreseen 2010)
- evaluation of the set up, control and monitoring of agri-environment measures that require the calculation of "standard costs, standard hypotheses on income losses and in kind contributions" (foreseen 2008)
- the Monitoring Committee will assess the need for further additional evaluations.

Communication and publicity

Target groups comprise potential beneficiaries, actual beneficiaries and the general public. The communication plan is structured in two phases:

- Phase 1: dissemination of the RDP. Aims to make the RDP known to all potential

beneficiaries and the general public by disseminating its principal characteristics. Communication tools include awareness raising activities through the media and information points in the territory (LAGs, Asturian Rural Network, web site of the regional administration, etc.), publications (leaflets, brochures, catalogues, articles, information notes, etc.), organisation of seminars, information sessions, technical courses, working groups. These actions form part of the Publicity Plan of the Autonomous Community of Asturias.

- Phase 2: dissemination of implementation and results. Aims to inform beneficiaries and the general public on implemented measures and their results. This phase will last throughout the programme. Communication tools, in addition to the above, include signs/plaques in the premises of beneficiaries and LAGs, written communication to actual beneficiaries, promotional video at the end of the programme. The actions of this phase form part of the Dissemination Plan of the RDP of Autonomous Community of Asturias.

There are also provisions for evaluating the results of information and publicity measures.

Annex I – Measures

Measures selected by the RDP Measures selected by the updated RDP

| | | | |
|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| 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 Community 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> | 311 | Diversification into non-agricultural activities |
| | | 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 local action group, skills acquisition, animation | |