

Brussels, 21 November 2007

## **Rural Development Plan for 2007-2013 for the Autonomous Region of Azores in Portugal**

### **Profile of the Azores:**

- Outermost Region, according to Article 299 (2) of the EC Treaty (85% co-financing rate from EAFRD for the 4 axes of the RDP!).
- Azores is composed of nine islands and has a total population of 242,000 inhabitants. Active population is composed of 109,773 people.
- Size: 2,332 km<sup>2</sup> and a population density of 104 inhabitants/ Km<sup>2</sup>.
- Rural areas cover 99.6% of the territory, they contain 93% of the population, and have a population density of 97.2 inhab/Km<sup>2</sup>.
- The entire territory is classified as a less-favoured area (area with specific handicaps).
- The UAA (utilised agricultural area) represents 122,783 hectares.
- 14.6% of the territory of Azores is covered by Natura 2000 areas. The UAA in N2000 areas represents 8.6% (of the total UAA) and forestry in N2000 areas represents 27.1% (of the total forestry area of Azores).
- Land use: agricultural (65%), forestry (9.2%), natural areas (20.5%). Arable land, permanent pastures and permanent crops represent 7.9%, 88.9% and 2.8% of the UAA, respectively.
- Number of holdings: 15,285. Average area of the holdings: 8 hectares.
- GDP per capita is 61.6% of the EU25 average.
- Economic profile - % of the Gross Value Added (GVA) in the primary, secondary and tertiary sectors is, respectively, 11.5%, 16.4% and 72.1%.
- Employment profile - % of employment in the primary, secondary and tertiary sectors is, respectively, 12.9%, 24% and 63.1%.
- Unemployment rate (2005) is 4.1%, lower than in Mainland Portugal and the EU25 average.
- 80% of the active population has completed only elementary education or has no educational qualifications (14.1%). Only 7.3% of people possess high level education.
- Agricultural sector: animal products represent 86% of the total agricultural production (mainly milk with 54% and bovine meat with 19%).
- Strategic sectors: milk and milk products, bovine meat, fruit and vegetables, flowers and ornamental plants, wine, industrial crops, honey.

### **Chosen strategy corresponding to the profile:**

The overall objective, which derives from the Community Strategic Guidelines (CSG) and the National Strategy Plan, is “to promote an environmentally and socially sustainable competitiveness of enterprises and territories”.

Five strategic objectives are defined:

- Improving the competitiveness of the agricultural and forestry sector,
- Promoting a sustainable management of rural areas and natural resources,
- Promoting economic diversification and employment in rural areas,
- Strengthening territorial and social cohesion,
- Promoting the efficiency of public, private and associative intervention in sectoral and territorial management.

### Overall budget and share of EU funding

Axis	Total Public Expenditure (in €)	Share of EAFRD* in Public expenditure in %	EAFRD Contribution (in €)
Axis 1	151 176 471	85%	128 500 000
Axis 2	135 294 118	85%	115 000 000
Axis 3	10 262 216	85%	8 722 884
LEADER	22 026 922	85%	18 722 884
Technical assistance	4 131 655	85%	3 511 907
<b>Total</b>	<b>322 891 382</b>	<b>85%</b>	<b>274 457 675</b>

\* EAFRD: European Agricultural Fund for Rural Development

### Overall aim of RD programme for the Azores

To promote competitiveness of territories giving them the capacity to manage correctly and improve their natural and rural heritage and promote their social and economic regeneration. This by reinforcing governance and local development strategies, on one side, and their attractiveness as places to live, work and visit, on the other.

#### Axis 1 budget allocation and main priorities:

Total public funding: € 151 176 471 – EAFRD contribution: € 128 500 000

Main priorities:

- Adding value to agricultural and forestry products
- Improving and developing infrastructures
- Modernisation of agricultural holdings
- Early retirement and setting up of young farmers.

#### Axis 2 budget allocation and main priorities:

Total public funding: € 135 294 118 – EAFRD contribution: € 115 000 000

Main priorities under this axis are:

- support for the maintenance of activities in less favoured areas
- agri-environmental payments
- afforestation of agricultural land

#### Axis 3 budget allocation:

Total public funding: € 10 262 216 – EAFRD contribution: € 8 722 884

The main priority under this axis is the Conservation and upgrading of rural heritage.

**Leader budget allocation and main priorities:**

Total public funding: € 22 026 922 – EAFRD contribution: € 18 722 884

Support for selected integrated strategies according to the Leader principles. The measure shall contribute to the accomplishment of the objectives of axis 3. The main priority is Quality of life/Diversification. Inter-territorial and trans-national cooperation is envisaged.

See: [http://ec.europa.eu/agriculture/rurdev/index\\_en.htm](http://ec.europa.eu/agriculture/rurdev/index_en.htm)