

LATVIA

Basic Information:

The Latvia Rural Development Programme (RDP) has budgeted for 2007-2013 a total public expenditure of nearly €1.4 billion (European Agricultural Fund for Rural Development and Member State contribution). At the end of 2013, €1.2 billion were spent out of the allocated budget (see figure 1).

Axis 1 – (Improving the competitiveness of the agricultural and forestry sector) has utilised 90% of its allocated budget.

Axis 2 – (Improving the environment and the countryside) has also used 90% of its programmed expenditure.

Axis 3 – (Improving the quality of life in rural areas) has spent around 78% of its budget.

Axis 4 – (Leader) has utilised almost 62% of the programmed expenditure.



Figure 1: Total Public Expenditure from 2007 to 2013 in Latvia & expenditure per Axis



Axis 1 - Improving the competitiveness of the agricultural and forestry sector

Figure 2: Axis 1 - Total Public expenditure per measure in million EURO (2007-2013)

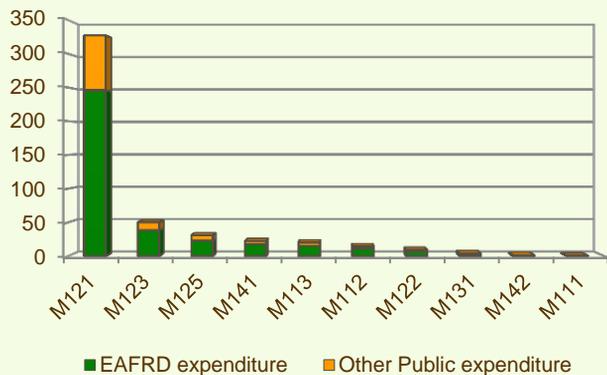
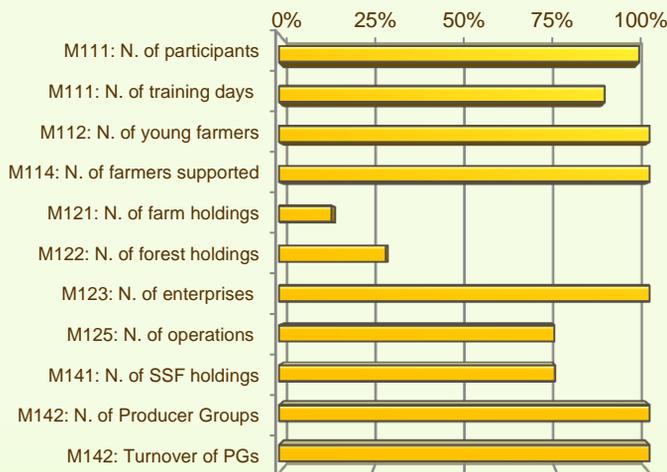


Figure 3: Axis 1 - Progress against 2007-2013 output targets in Latvia (2007-2012)



Axis 1 places an emphasis on Modernisation of agricultural holdings (Measure 121), allocating to this measure 62% of the overall budgeted funds for Axis 1.

Analysis of the expenditure rates per measure up to 2013 shows that:

- ❖ Three measures have utilised between 90% and 100% of their allocated budgets, namely:
 - Meeting standards based on EU legislation (M131), 91%;
 - Setting up of young farmers (M112), 94%;
 - Modernisation of agricultural holdings (M121), 99%.
- ❖ Another three measures have used around 80-90% of their programmed expenditure:
 - Semi-subsistence farming (M141), 84%;
 - Use of advisory services (M114), 87% and
 - Infrastructure related to the development and adaptation of agriculture (M125), 89%.
- ❖ Adding value to agricultural and forestry products (M123), Early retirement (M113) and Producer groups (M142) have spent 71-74% of their planned allocation.
- ❖ Vocational training and information actions (M111) and Improvement of the economic value of forests (M122) have used respectively 33% and 46% of their programmed expenditure.

Figure 3 provides an indication of the achieved outputs up to 2012 in comparison to the output targets for 2007-2013.

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Axis 2 - Improving the environment and the countryside

Axis 2 focuses on Payments to farmers in areas with handicaps, other than mountain areas (M212) and Agri-environment payments (M214). These two measures represent the majority of Axis 2 expenditure (see figure 4) and they have been allocated 34% of the total public budget programmed in the Latvia RDP for 2007-2013.

- ❖ The measure Payments to farmers in areas with handicaps, other than mountain areas (M212) has used 97% of its planned funds.
- ❖ Three out of the six measures offered by the Axis have utilised 80-90% of their allocated budgets, namely:
 - First afforestation of non-agricultural land (M223), 83%
 - Natura 2000 payments and payments linked to Directive 2000/60/EC (M213), 86%
 - Agri-environment payments (M214), 86%.
- ❖ The Natura 2000 payments (M224) has used 62% of its programmed expenditure.
- ❖ Restoring forestry potential and introducing prevention actions (M226) has spent one third of its allocated budget.

Figure 5 provides an indication of the achieved outputs up to 2012 in comparison to the output targets for 2007-2013.

Figure 4: Axis 2 - Total Public expenditure per measure in million EURO (2007-2013)

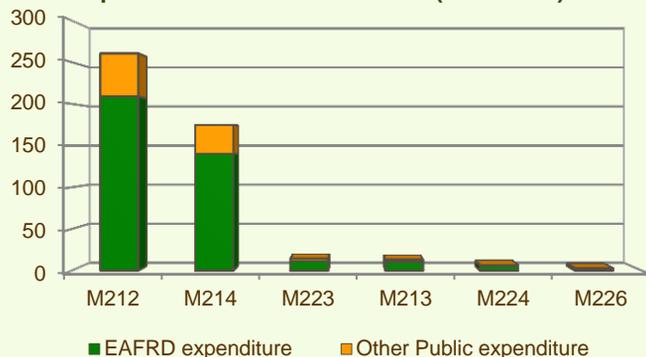
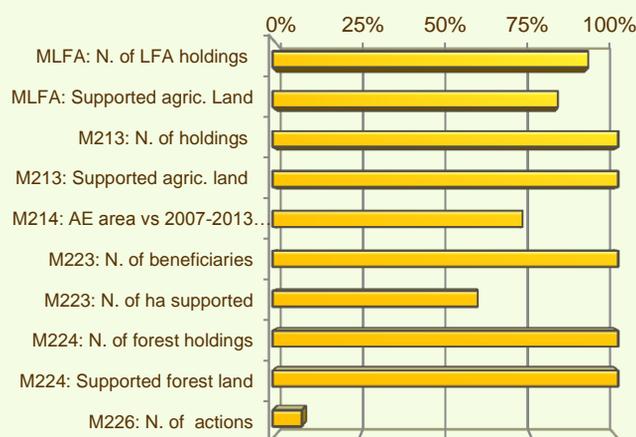
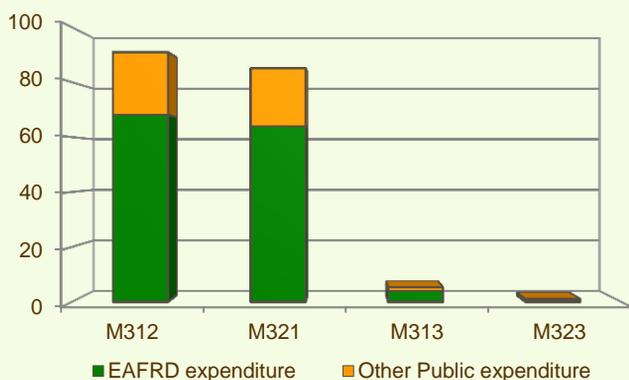


Figure 5: Axis 2 - Progress against 2007-2013 output targets in Latvia (2007-2012)



Axis 3 - Quality of life in rural areas and diversification of the rural economy

Figure 6: Axis 3 - Total Public expenditure per measure in million EURO (2007-2013)



Axis 3 of the Latvia RDP focuses on Support for business creation and development (M312) and Basic services for the economy and rural population (M321), which together represent almost 95% of the Axis budget and most of the total public expenditure (see figure 6).

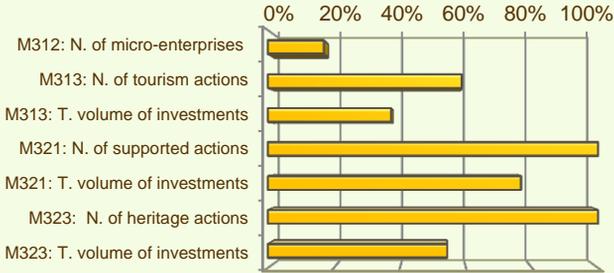
When comparing the expenditure rates per measure up to 2013 it is observed that:

- ❖ Basic services for the economy and rural population (M321) has used 96% of its funds.
- ❖ Support for business creation and development (M312) has utilised 70% of its planned allocation.
- ❖ Conservation and upgrading of the rural heritage (M323) has utilised 61% of its programmed budget.

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Axis 3 - Quality of life in rural areas and diversification of the rural economy

Figure 7: Axis 3 - Progress against 2007-2013 output targets in Latvia (2007-2012)



- ❖ Encouragement of tourism activities (M313) has spent 45% of its allocated funds.

Figure 7 provides an indication of the achieved outputs up to 2012 in comparison to the output targets for 2007-2013.

Measure 312 project example: Innovative products derived from aromatic plants / Latvia

The project is a positive example of how EAFRD supported an innovative idea – introducing new products in a farm business depending on herbal teas from aromatic plants. Using existing resources and helped by a good business plan, the farm developed the concept for the cream Beāte and an eau de toilette.

The main activities of the projects were: conversion of an old barn into a building for manufacturing purposes and purchase of equipment for distilling aromatic plants, followed by the development and launch of the Beāte cream.

Being imaginative in using existing resources for new products helped the creation of new jobs in the region and a new business that increased the incomes besides the farming activities.

The total cost of the project was €7,740, out of which €2,624 was EAFRD contribution.

Link: http://enrd.ec.europa.eu/policy-in-action/rdp_view/en/view_projects_en.cfm?action=detail&backfuse=jsview&postcard_id=6420

Axis 4 - Leader

The Leader Axis in the Latvia RDP has allocated budget of €40 million out of which almost €25 million have been spent by 2013. Within the Axis, emphasis has been given to Competitiveness (M411) which has been allocated the largest share of funds. When comparing the expenditure rates per measure up to 2013 it is observed that Quality of life/diversification (M413) has the largest total spending (see figure 8). It is also observed that:

- ❖ Running the LAG, skills acquisition, animation (M431) has utilised 51% of its budget.
- ❖ Competitiveness (M411) and Implementing cooperation projects (M421) have spent respectively 27% and 12% of their allocated funds.

Figure 9 provides an indication of the achieved outputs up to 2012 in comparison to the output targets for 2007-2013.

Figure 8: Axis 4 - Total Public expenditure per measure in thousand EURO (2007-2013)

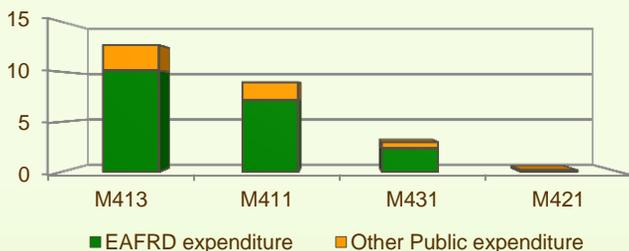


Figure 9: Axis 4 - Progress against 2007-2013 output targets in Latvia (2007-2012)

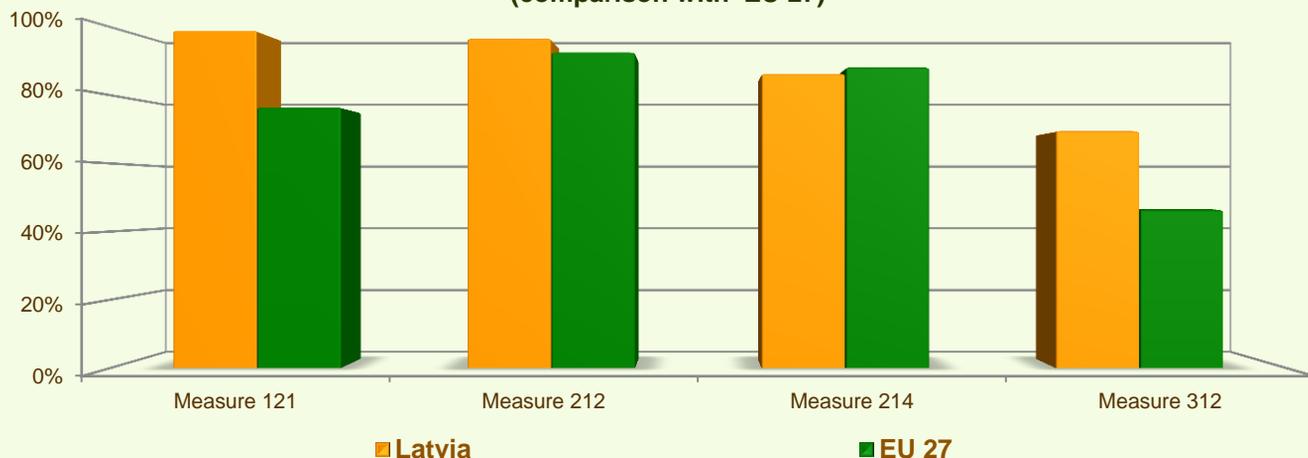


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Summary

- ✓ Within seven years of implementation, the Latvian RDP has utilised 86% of the total public expenditure planned for the current Programming Period (including post Health Check and the European Economic Recovery Package modifications).
- ✓ Modernisation of agricultural holdings (M121) is the measure with the highest allocated budget in the Latvian RDP. Up to 2013 it has utilised 99% of its available budget and represents 27% of the total public expenditure of the programme.
- ✓ Payments to farmers in areas with handicaps, other than mountain areas (M212) has the second largest budget in the Latvian RDP and the utilised expenditure is 97% of its allocated funds. M212 represents 22% of the total public expenditure of the programme.
- ✓ The third largest measure budget is for Agri-environment payments (M214) which has used 86% of its programmed total public expenditure and represents 15% of the total public expenditure of the programme.

Figure 10: Progress of total public expenditure up to 2013, main measures (comparison with EU 27)



Source of the data:

1) Programmed expenditures 2007-2013: RDP budget allocation following Health Check revision (December 2013)

2) Expenditures 2007-2013: DG AGRI

3) Output indicators: monitoring tables submitted by Managing Authorities along with the 2008, 2009, 2010, 2011, 2012 and 2013 Annual Progress Reports. Data referring to programming years 2007 to 2012. Only commitments made from year 2007 onwards are considered.

4) Output targets 2007-2013: DG AGRI



<http://enrd.ec.europa.eu>

For further detailed information on financial / physical and output indicators data please refer to the dedicated ENRD website section on Monitoring Indicators.