

Country summary for Spain

Rural Development National Strategy Plan
(together with 17 regional Rural Development Programmes)¹

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General socio-economic situation in rural areas in Spain²

Spain is located in the Iberia peninsula bordering France in the Northeast and Portugal in the west and has a total surface of 504,411 km². The National Strategy Plan provides baseline figures for Spain in 2006 and these state that: it contained a population of 44,5 million and a population density of 88 inhabitants/km²; GDP per capita was €21.557,80 (above the EU-25 average). Further baseline data in 2005 shows that rural areas covered 91.3 % of the Spanish territory and about 31% of the population lived in these areas. The Spanish situation is characterized by important territorial discrepancies, mainly between the interior and the coastal areas in matters such as population density, income and unemployment rates. GDP per capita and unemployment differs substantially between regions. Despite the rocketing unemployment rates in Spain, unemployment rates in rural areas are particularly low in Aragón, Baleares, La Rioja (in addition to high GDP per capita: 107% of the Spanish average in 2006), Navarra (also very high GDP per capita: 125% of the EU average in 2006) and decreasing in Galicia and Valencia.

Globally speaking, about 50% of the total Spanish surface of Spain is utilised as agricultural land (25.2 million ha) and 10.47 million ha are covered by forests (of which 81.6% are privately owned). Concerning the agricultural land, about 50% corresponds to labour lands, 17% is dedicated to permanent crops and the rest is permanent grass. 79% of agriculture land is included in Less Favoured Areas. Around 15% of agricultural land is irrigated and consumes around 75% of total Spanish water consumption.

Overall, almost 0.95 million people are employed in 1,140,730 agricultural holdings, with a

¹ The Spanish RDP regions are: Andalucía, Aragón, Asturias, Baleares, Canarias, Cantabria, Castilla La Mancha, Castilla y León, Cataluña, Extremadura, Galicia, Madrid, Murcia, Navarra, País Vasco, La Rioja and Valencia. See also Annex II for their abbreviations used throughout this fiche.

² Regional level data comes from the RDPs and refers to the years 2005 or 2006.

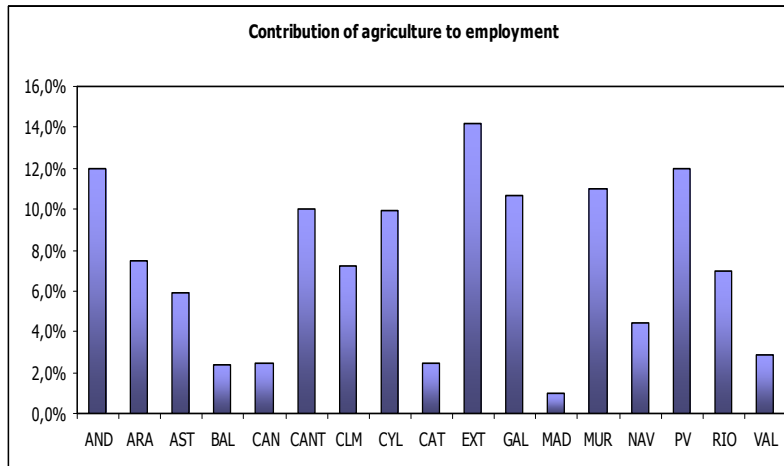
high share of farms (68.4%) managed by full time farmers. The average size of the agricultural holdings is 22.1 ha, with big farms mainly in the centre and south of the country, and on the other side relatively small farms in the North part of Spain. While 55% of the holdings use 5% of agricultural land, 8.7 % of the holdings occupy 69.1 % of agricultural land. The value of the output of Spanish agriculture amounts to about €26 billion including forestry. Thereby the sector contributes about 3.32% to the total gross value added (GVA) produced in Spain.

Agricultural
production and
productivity

Agriculture is of particular importance in some Spanish regions such as Andalucía (a leader in some products like olive oil, fruit and vegetables, for which production represents around 26% of the national one), Castilla La Mancha (growth of greenhouse and irrigation crops, with specialisation in vine and cereal which represent 64% of total agricultural production), Extremadura (competitive advantage in the production of vegetables, fruit, olive oil and tobacco), Murcia (one of the few regions where employment in agriculture increased between 1999 and 2006). Productivity in agriculture is generally higher than the EU average, especially for irrigated crops. It is high for instance in Andalucía, Aragón (especially in irrigated crops), Navarra and Valencia. Research and development efforts and increasing trends to incorporate innovation in agricultural production and agri-food processes further contributes to increase productivity in regions like Castilla La Mancha (agricultural production of high value added), Extremadura, Galicia, Navarra or La Rioja.

Quality of
agricultural
products

One of the strengths of the agricultural sector in Spain is the large variety of agricultural products due to the diversity of climate and the use of irrigation. Some products incorporate high quality standards and are of significant international tradition and recognition, for instance the tropical fruit and flowers of Canarias (favoured by a climate that allows production all year round), the olive oil of Andalucía, the wine of La Rioja (46% of total agricultural production in this region), the fruit and vegetables of Murcia (strong export orientation), the citrus fruit and rice of Valencia (also with strong export orientation), to mention a few. Likewise, livestock production is an important source of employment and wealth in many regions: high quality livestock products in Asturias and Galicia (distinguished for their dairy products); competitive livestock production in Aragón; goat breeding in Canarias (third in Spain); Cantabria (90% of final agricultural output); Castilla y León (58% of agricultural production and a leader in bovine and ovine products); pork production in Extremadura (37% of agricultural production value); competitive advantage of pig and poultry in Valencia. Forestry activity and potential is high in Asturias, Galicia and the Basque Country, while Galicia distinguishes also for the competitive advantage of its fishing sector.



Agriculture accounted for 4.46% of employment in Spain in 2006. The significance of agriculture for employment differs between regions ranging from around 1% in Madrid or 2.5% in Baleares and Canarias to as much as 14.2% in

Extremadura and 12% in Andalucía and the Basque Country (in the latter agriculture and forestry together account for 34% of employment). The relatively small weight of agriculture in Madrid is for instance explained by the smaller significance of rural areas in this region with high urban concentration, while Baleares³ and Canarias are distinguished for the important weight of services, namely tourism, on these islands.

The agri-food industry

The agri-food industry in Spain is of strategic importance in the majority of Spanish regions and growing fast (contributes 4.5% to GVA). Regional data shows that the agri-food industry represents a significant proportion of regional GDP (e.g. 15% in Murcia and 30% in La Rioja) and employment (e.g. 17% in Navarra, 32% in Extremadura and 50% in the Basque Country), while in Madrid it represents as much as 8% of the national GVA. The agri-food industry plays an important role as a motor for development and diversification in rural areas (contribution to direct and indirect employment creation) and contributes also significantly to exports.

Diversification

Diversification of agricultural production towards other sectors includes primarily the tourism sector, for instance, eco-tourism related to wine routes in La Rioja, coastal/rural tourism in Valencia, Andalucía and the Canary and Balearic islands, agro-tourism and livestock routes in Navarra and Madrid. Rural tourism contributes to re-valorise rural areas, their landscapes, cultural and natural heritage. All rural areas in Spain are characterised by rich cultural and natural heritage, which constitutes a source of diversification.

Organic and integrated production
Externalities
Cooperative culture
Education and training

Other strengths of rural areas of Spain include the important percentage of surface dedicated to extensive and permanent crops as well as the rising trend towards organic and integrated production, all of these contributing to the preservation of biodiversity and environmental protection. Organic and integrated farming are very important for instance in Andalucía and Baleares. The multi-functional role of agriculture plays an important role for the positive externalities it produces for the quality of life, the management of the territory and the conservation of natural landscapes and heritage in Cataluña and the Basque Country. Some

³ Services in Baleares accounted for 73.5% of employment in 2005.

regions are distinguished for their associative and cooperative culture, for instance, Andalucía, Cantabria, Castilla La Mancha, the Basque Country and Valencia. There is an increasing presence of adults in continuous education and training in rural areas, distinguishing for their training provision those of Aragón, Extremadura, Madrid and Navarra.

Loss of economic importance of agriculture
Reduction of employment rates
Depopulation

The rural sector is however progressively losing economic importance and registering a reduction of employment rates (employment levels in agriculture are generally below its contribution to GVA). This is particularly evident in some regions where

agriculture has traditionally played an important role as a source of employment and economic activity, for instance Andalucía, Asturias, Castilla y León, Extremadura, Galicia or Murcia. One of the main weaknesses of Spanish rural areas is that a large part of the territory suffers from problems of depopulation due to poor living and working conditions resulting from topography, climate or scarcity of water, among other causes, which limit the attractiveness of rural areas. In some regions there is a significant shift of the population from rural to urban areas (e.g. in La Rioja, 66% of the population lives in urban areas, with some rural areas having less than 5 inhabitants per km²; strong urban-rural duality in Aragón, Castilla La Mancha and the Basque Country). Depopulation leads to abandonment of agricultural land with negative consequences and risks for landscapes, biodiversity and the quality of the environment. Geographic characteristics contribute to depopulation trends, the latter being more acute in mountainous and other disadvantaged areas characterised by poor accessibility, insufficient infrastructure, limited training and employment opportunities (90% of the territory in Cantabria 90% and 50% in Valencia is classified as Less Favoured Areas – LFAs; marginalisation of mountainous areas in Cataluña, the Basque Country, La Rioja) and regions characterised by insularity (e.g. insularity in Baleares is responsible for high transport costs and resulting loss of competitiveness).

Weaknesses related to human
resources, technology and
infrastructure

Another key weakness of rural areas in Spain is demographic ageing (more than 50% of farmers are aged more than 55) which registers increasing trends and is coupled with lack of take-up of agricultural activity by young farmers. In addition,

the population working in agriculture has a low degree of training (lower than the EU-27 average). There are important differences between regions with low levels of education and training or lack of skilled human resources in rural areas reported in particular in Asturias, Cantabria, Canarias, Castilla La Mancha, Castilla y León, Galicia, Madrid, Murcia, Navarra, the Basque Country, La Rioja and Valencia. Similarly, there is limited access to information and communication technologies, particularly in the rural areas of Aragón, Asturias, Canarias, Cantabria, Galicia, Murcia and La Rioja, especially in small rural settlements. Inefficient rural infrastructures are reported in the regions of Andalucía, Aragón, Asturias, Cantabria, Cataluña, Extremadura, Galicia, Madrid, Murcia, Basque Country, Valencia, while a need for investment in research and development and innovation is stated in Castilla y León, the Basque Country and La Rioja, especially in the agri-food sector.

Structural weaknesses

Structural weaknesses include the small size of farms (e.g. Canarias, Castilla La Mancha, Galicia, Navarra, Valencia) and the excessive reliance on family businesses in some regions (e.g. dominance of family farms in the Basque Country) which, coupled with high fixed costs, reduces the competitiveness of agricultural products. Irrigation infrastructures in many areas use the gravity system which entails water losses, while the scarcity of water resources in some regions further stresses the need for modernisation towards more efficient irrigation systems (e.g. Andalucía, Aragón, Castilla La Mancha, Navarra).

Agri-food industry below its potential
Relatively limited diversification
Gender bias

Despite the growth of agri-food industry, its contribution to GVA is lower than its potential and lower in comparison to other sectors, especially in some regions that report low productivity and scarce generation of value added in the agri-food industry (Aragón, Asturias, Canarias). Also, in spite of progress in terms of diversification, there is still limited diversification in comparison with the EU average, particularly reported in the regions of Aragón, Cantabria, Castilla y León, Extremadura. Gender bias is another weakness in the rural economy which tends to be male dominated.

Environmental strengths

In terms of the environment, Spanish regions contain important assets in terms of diversity of natural resources landscapes (wet in the North and dryer in the South), areas of high natural value, rich biodiversity, an important network of Natural Parks, Natural Reserves and Protected Spaces and agricultural and forest areas belonging to the Natura 2000 network (24.5% of the territory classified as Natura 2000). Spain has the highest percentage of surface in the EU dedicated to permanent dry crops (olive trees, vines, almond trees, etc.) that help prevent erosion and protect landscapes and biodiversity. There is increased interest in the generation of renewable energies, especially wind energy (particular progress in the field of renewable energies has been made in Andalucía, Castilla La Mancha, Galicia and Navarra). There are significant differences between regions in terms of the quality and quantity of natural resources and their management: Aragón and Cantabria for instance distinguish for good water quality; Madrid has achieved a reduction in the incidence of forest fires through efficient fire prevention systems; Valencia is a leader in Spain in the utilisation of residual waters for irrigation purposes; Andalucía and Extremadura apply extensive agricultural systems which contribute to environmental sustainability.

Environmental weaknesses

Some of the main problems facing certain rural areas in several Spanish regions are the high levels of erosion and desertification (Andalucía, Aragón, Baleares, Canarias, Cantabria, Castilla La Mancha, Castilla y León, Extremadura, Galicia, Murcia, Valencia) due on one hand to climatic factors (irregular rainfall, drought periods) and on the other hand to human activity (use of traditional agricultural practices such as intensive farming and/or depopulation). Regions with a high percentage of LFAs (e.g. Castilla La Mancha: 89% of agricultural surfaces; Galicia: 80%; Baleares: 42%) are particularly vulnerable to desertification as a result of the trend to abandon these areas. Soil erosion aggravates the problem of low content of organic material in the soil in many areas and increases the risks of forest fires (the latter being a problem in particular in Castilla La Mancha, Castilla y León and Extremadura). Water deficits are particularly acute in the South (Andalucía, Murcia), in the arid surfaces of La Rioja and the islands (Baleares). Inefficient irrigation infrastructures (mentioned above) exacerbate the problem of water deficits. Water contamination from nitrates is reported in Aragón, Asturias, Canarias, Castilla y León, Cataluña, Extremadura, Murcia, the Basque Country and Valencia.

Rural development challenges

Stopping rural depopulation is the biggest challenge for the Spain. The primary sector (agriculture, hunting and forestry) constitutes the main source for maintaining population and employment in the rural areas. Depopulation and abandonment of agricultural activity threatens the maintenance of biodiversity and exacerbates soil erosion and desertification processes that are already acute in several areas due to climate conditions and traditional

intensive agricultural activity. Demographic ageing coupled with lack of generational take over is another challenge that exacerbates the impacts of depopulation. There is a need to increase the attractiveness of rural areas by compensating high production costs, improving the provision of rural infrastructure and services, enhancing the links between the production and commercialisation phases, promoting entrepreneurship and helping enterprises adapt to new circumstances and challenges.

The excessive dependency on a limited number of products in some regions makes them vulnerable in view of economic crises or restructuring threats. For instance, the fishing sector, the backbone of the Galician economy is undergoing serious restructuring, while Andalucía and Valencia specialise on certain types of crops and Asturias and Cantabria rely excessively on livestock production. A double challenge there is: the improvement of competitiveness by adding value to agricultural products and modernising production methods and processes; and the diversification towards other activities that build on regional assets and strengths such as alternative forms of rural tourism.

The preservation of the endangered biodiversity is seen as another very important issue as well as the protection of the environment through the development of sustainable agricultural practices. In this context, a key development challenge for Spanish environmental land and farm management is to promote environmentally friendly production methods such as organic production, integrated farming and extensive agricultural systems. These are particularly promoted in all regional RDPs with a view to reduce in particular water and soil contamination, preserve and protect biodiversity and landscapes. Addressing the problem of water scarcity is another challenge that drives the efforts to improve water management, including supply and efficiency in consumption.

New rural development challenges were identified in Spain during 2009. These correspond with priorities agreed following the CAP Health Check and include: improving water management; tackling climate change; conserving biodiversity; restructuring the dairy sector; further promote renewable energies; and innovation. The new priority on large scale broadband infrastructure in the context of the European Economic Recovery Plan (EERP) will not be implemented in Spain on this scale since it is the Spanish state that has competencies in the communications field, but programming is carried out at regional level. There is already a national level programme PEBA ('Programme for the Extension of Broadband') developed by the Ministry of Industry, Tourism and Commerce as part of the 'Plan Avanza' 2008-2012 that covers investments to extend telecommunications coverage in rural areas.

Spain national strategic objectives

The Rural Development National Strategy Plan for Spain is the reference framework for seventeen regional Rural Development Programmes (RDPs). Rural development policy is an area of devolved responsibility within Spain, which results in 17 regional RDPs being implemented at regional level by the Autonomous Communities. The main emphasis of the Spanish RDP strategies is on axis 1, and focuses on modernisation of agricultural holdings, adding value to agricultural products and infrastructure for the adaptation of agriculture and forestry. These actions aim to improve the competitiveness of agriculture and make it an attractive and profitable activity so as to retain the population in rural areas. Spain also recognises the importance of encouraging sustainable agricultural practices in order to preserve and protect the environment, in particular biodiversity, natural resources and landscapes. To achieve this, funding under axis 2 therefore focuses on agri-environment schemes, followed by the sustainable use of forest land in order to reconstruct the productive

forest potential damaged by natural catastrophes and preserve natural resources. Furthermore, particular support is given to mountainous and other disadvantaged areas as a means to reverse the depopulation trend and maintain natural landscapes. Under axes 3 and 4, the main strategic objective is to improve the attractiveness of rural areas and to enhance social cohesion through better governance and cooperation.

Spain has also submitted a national framework containing common elements of these regional programmes. This programme includes 6 horizontal compulsory measures (4 in axis 1 and 2 in axis 2):

- Management of water resources/other rural infrastructures
- Increase in the value added of agricultural and forest products
- Start-up of advice services to the farms
- Installation of young farmers
- Mitigation of desertification - Prevention of forest fires
- Natura 2000 in the forest environment.

The approval of this document by the Commission was a pre-condition for the approval of the Spanish RDPs. The National Framework constitutes an important overarching instrument which contributes to the implementation of the Spanish National Strategy Plan, the main objectives of which, in compliance with the Community strategic guidelines, are to:

- 1) Fight against depopulation of rural areas by strengthening the competitiveness of the agriculture and forestry sector;
- 2) Improve the environment and the countryside;
- 3) Maintain and to improve quality of life, diversification of the rural economy and building local capacity.

However, it is the regional RDPs, with their indicative financial plans, and not the National Framework, that constitute the basis for co-financing from the EAFRD budget. The core objectives of the Spanish RDPs can be summarised under four headings:

- Improve competitiveness of the agricultural, forestry and agri-food sectors;
- Improve the natural and rural environment;
- Improve quality of life and diversification of the rural economy;
- Promote local capacity and governance in rural areas.

There are regional differences in the focus on certain elements of these core objectives that can be summarised as follows:

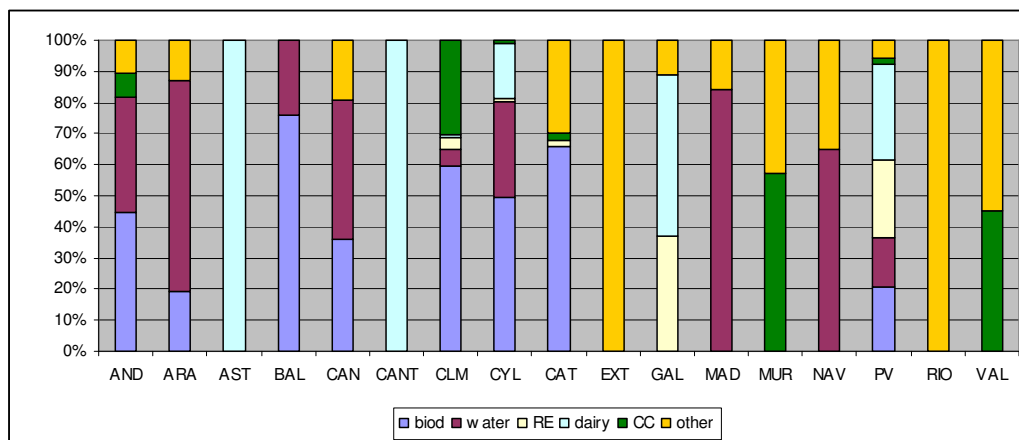
Region	Strategic emphasis
AND	Maintain population in rural areas Improve quality of life Increase competitiveness of the agri-food sector and forestry complex
ARA	Curb the processes of depopulation and abandonment of agricultural land Economic, social and environmental sustainability
AST	Reduce dependency of the primary sector on livestock Maintain natural and cultural heritage Promote a diversification model dominated by tourism activities

BAL	Overcome geographic isolation and insularity Promote agricultural and non-agricultural economic activities in rural areas Promote improvements in the natural and rural environment
CAN	Promote investments in modernisation of agricultural holdings Promote investments that add value to agricultural products Improve water management
CANT	Promote environmentally friendly agrarian practices especially in areas with natural difficulties Improve the productive structures of livestock, agriculture and forest exploitations Reinforce commercialisation and transformation structures Consolidate the protective and environmental functions of mountains Stimulate local participate in the implementation of local development strategies
CLM	Modernise the agri-forestry sector through quality products and increased value added Improve water management, the fight against climate change, organic production and the protection of biodiversity Support endogenous local development, employment creation, inclusion of women, young and immigrants in agriculture and reverse the demographic ageing trend Promote a participatory local development system where "rurality" prevails
CYL	Improve value added of agriculture Modernise farms and introduce modern technology and infrastructure Integrate agriculture and the environment Address the impact of forest fires
CAT	Strengthen the agri-food sector Preserve the region's rich ecosystems and mitigate the negative effects of agricultural activity on the environment Improve accessibility and rural infrastructure Build on the region's diversification tradition and develop human resource capacity in rural areas
EXT	Address demographic ageing and slow demographic growth in rural areas Capitalise on the competitive potential of the agri-food industry Reduce gender inequalities Promote the potential for research, development and innovation and the use of ICT
GAL	Reverse the land abandonment trend especially in mountains and inland territories Foster a sustainable and multi-functional agriculture
MAD	Adapt agriculture to the pressure of urban towards rural areas Increase the weight of agriculture in the regional economy Improve water management Promote rural tourism and capacity building in rural areas
MUR	Improve the attractiveness of rural areas Integrate the development of the agriculture and forestry sectors with the environment, bio-energy, rural tourism and services
NAV	Promote knowledge and improve the potential of human capital Develop the physical potential and promote innovation Promote sustainable use of agricultural and forest land
PV	Increase the competitiveness of the agri-food sector through improved management, sectoral image and production capacity Foster a sustainable and multi-functional agriculture and forestry sectors
RIO	Restructure and modernise the agri-forestry sector, optimise agricultural holdings, give impetus to transformation and commercialisation processes, promote R&D and capacity building Improve the management of soil and forest resources, protect natural spaces and promote sustainable productive systems Diversify economic activity and improve services in rural areas
VAL	Increase rural incomes in a sustainable way Overcome structural weaknesses of the agriculture sector Foster productivity improvements Promote the multi-functional character of agriculture

RDP amendments

Taking into account the additional EAFRD financing provided by the CAP Health Check, the European Economic Recovery Package (EERP), the wine reform and modulation, greater strategic priority in each of the 17 Spanish regions is given to the new challenges noted above (water management, climate change, biodiversity, restructuring the dairy sector, renewable energies), although these differ between regions, while some of the additional funds are used to address other weaknesses or priority sectors.

Regional break down of the new challenges following the RDP revisions⁴



The graph depicts that biodiversity is the main challenge addressed by many RDPs (42.8% of total additional funding for Spain), followed by water management (32.6%)⁵. There are significant differences between regions which reflect their different priorities and needs. It is worth noting the emphasis of Extremadura on the restructuring of the tobacco and wine sectors and of La Rioja on the provision of advisory services and modernisation of agricultural holdings (all the additional funding allocated to water management in this region was transferred to address important weaknesses covered by these measures). The specific emphasis per region on the new challenges and other needs is shown below:

- Andalucía – biodiversity (which receives an indicative financial allocation of 45% of the amounts resulting from the RDP revision), water management (37%), support to Local Action Groups (LAGs) for their running costs, skills acquisition and animation (11%) and climate change (8%);
- Aragón – water management (68%) and the remaining 32% allocated to: biodiversity (19% of total additional funding); modernisation of agricultural holdings; support to LFAs in mountainous and non-mountainous areas (5% of total); and the provision of advisory services;
- Asturias – restructuring of the dairy sector (100%);

⁴ Source of the graph: revised RDPs and EC working papers.

⁵ Source of the total figures: the National Strategy Plan for Spain

- Baleares – biodiversity (76%) and water management (24%);
- Canarias – water management (45%), biodiversity (36%) and reinforcement of technical Assistance (19%)⁶;
- Cantabria – restructuring of the dairy sector (100%);
- Castilla La Mancha – biodiversity (59%), climate change (30%), water management (5%), renewable energies (4%) and restructuring of the dairy sector (1%)⁷;
- Castilla y León – additional funding from the HC/EERP focuses on biodiversity (50%), water management (31%), the restructuring of the dairy sector (18%), climate change (1%) and renewable energies (1%);
- Cataluña – biodiversity (66%), response to the increased financing necessities of several measures under axis 1 and 2 and improve the balance between axes in relation to axis 3 (31%), support to cooperation activities in areas related to the new challenges of climate change, renewable energies and innovation (4%) and reinforcement of the set up of young farmers (0.2%);
- Extremadura – restructuring of the tobacco sector (82%) and restructuring of the wine sector (18%), both including the promotion of renewable energies and the protection of biodiversity in these sectors;
- Galicia – restructuring of the dairy sector (52%), renewable energies (37%) and support to enterprises in the wine sector (11%);
- Madrid – water management (84%) and additional support to village renewal and development, running costs of LAGs and Technical Assistance (16%).
- Murcia – climate change mitigation and adaptation (57%) and reinforcement of Technical Assistance (43%) in order to improve the Managing Authority's activities;
- Navarra – water management (65%) and support to LFAs (35%);
- Basque Country – restructuring of the dairy sector (31%), renewable energies (25%), biodiversity (21%), water management (16%), support to LFAs in mountain areas (6%) and climate change (2%);
- Rioja – water management and biodiversity (100%). However, these funds were transferred to advisory services and the modernisation of agricultural holdings measures in order to address key weaknesses in terms of low level of qualifications of farmers and the low profitability and competitiveness of agricultural holdings;
- Valencia – climate change mitigation and adaptation (45%) and reinforcement of several axis 1 and 2 measures (55%, allocated to budget reinforcement or maintenance of original total expenditure, financing of new proposed products and extension of territorial implementation to include Natura 2000 network areas).

In Spain, additional support for the development of large scale broadband infrastructure will not be implemented for the reasons mentioned above under "rural development challenges". There are however actions foreseen in the regional RDPs under the axis 3 measure related to the provision of basic services to the local economy and population, which include operations addressed to ICTs, within which small scale broadband actions can be found.

Expected outcomes of the policy

In Spain, quantified targets and objectives, and the indicators to be used, have been defined at the RDP (i.e. regional) level. Expected impacts are defined in each RDP according to the EU Common Monitoring and Evaluation Framework (CMEF), however, the National Strategy

⁶ If the HC/EERP funds only are taken into account, these shares change to 70% water management and 30% biodiversity.

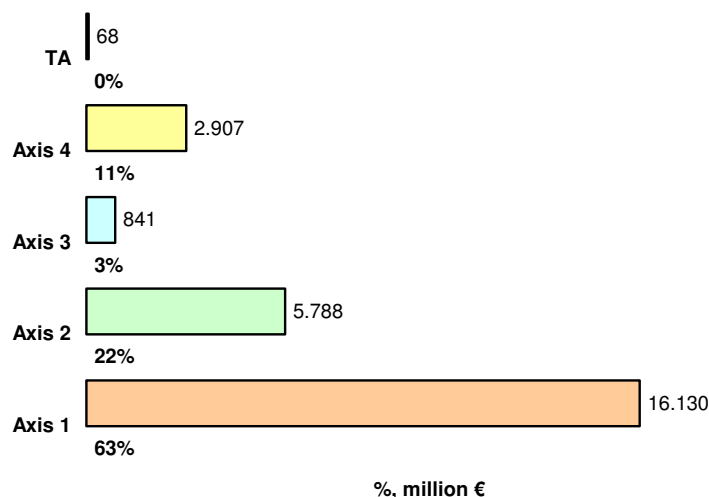
⁷ If the HC/EERP funds only are taken into account, these shares change to 68% biodiversity, 14% water management, 13% renewable energies, 4% restructuring of the dairy sector and 1% climate change.

Plan has also defined a few expected indicators at national level and these comprise:

- Expected socio-economic impacts:
 - Economic growth (measured as net additional value added in purchasing power parity): €14,263,811,871;
 - Employment creation (additional net full-time jobs): 58,822;
 - Labour productivity (change in GVA per full-time worker): €231 per worker;
- Environmental impacts:
 - Reversal in the decline of biodiversity (measured as the increase in the species of birds populating agrarian land): +3.39%;
 - Maintenance of agricultural and forest areas of high natural value (change in areas of high natural value): 2,854,686 ha;
 - Improvement in the quality of water (change in the net balance of nutrients): 18.41 Kg/ha;
 - Contribution to the fight against climate change (increase in the production of renewable energy): 13,867 ktons.

Impact targets for these indicators are developed at regional level in each regional RDP. In addition to these, each regional RDP has individual result targets related to socio-economic outcomes, environmental outcomes and outcomes and targets in relation to the new challenges. For example, the Cataluña RDP includes indicators for the new challenges related to the reduction of CO₂ emissions through energy savings, replacement of fossil fuels, reduction of greenhouse emissions and climate change adaptation, improvement of capacities for more efficient water management and water quality improvement, conservation and maintenance of biodiversity and prevention of its loss.

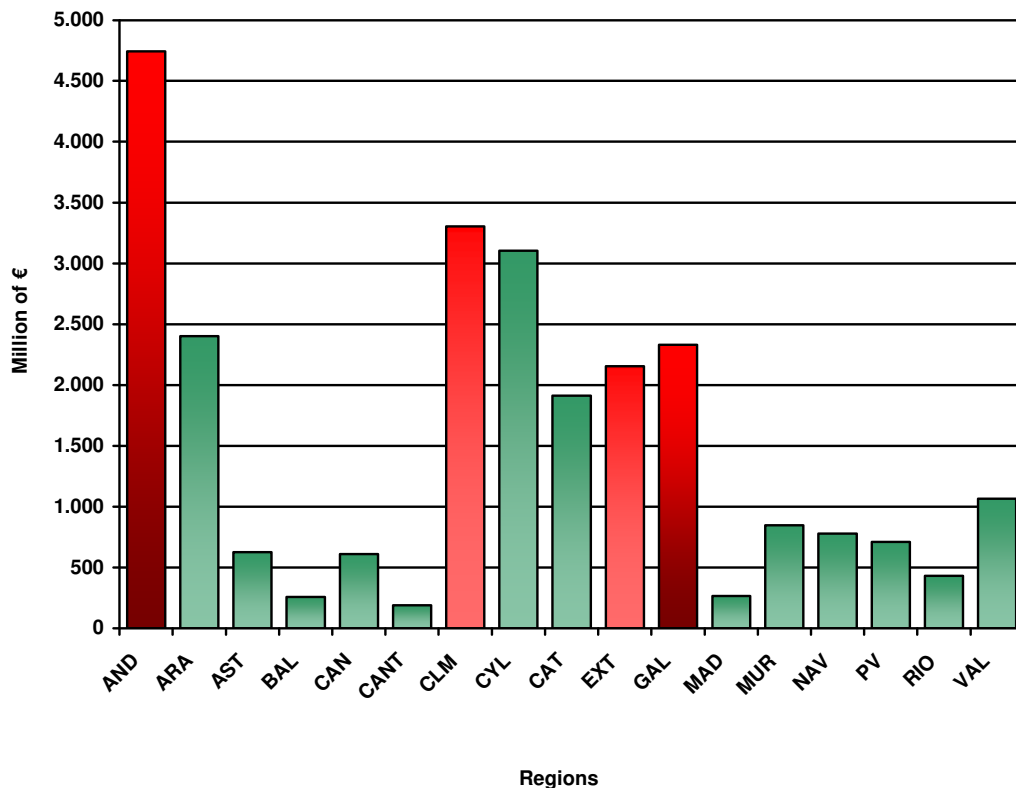
Total country budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding), of €25,733,428,305



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). Axis 1 (€16,129.78 billion) represents 63% of the overall Spanish RDP budget. Axis 2 (€5,788.21 million) represents 22% of the overall Spanish RDP budget. Axis 3 (€840.80 million) represents 3% of the overall Spanish RDP budget. Axis 4 (€2,906.70 million) represents 11% of the overall Spanish RDP budget and Technical Assistance (€67.93 million) represents 0.26% of the overall RDP budget.

Regional break down of the country budget



The convergence regions are represented in red colour.

The Spanish regions receive differential proportions of the funding, ranging from 18% (€4.743 billion) in Andalucía, 13% (€3,304 billion) in Castilla La Mancha and 12% (€3.103 billion) in Castilla y León to just 1% (around €250 million) each in Baleares, Cantabria and Madrid.

Axis Information

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

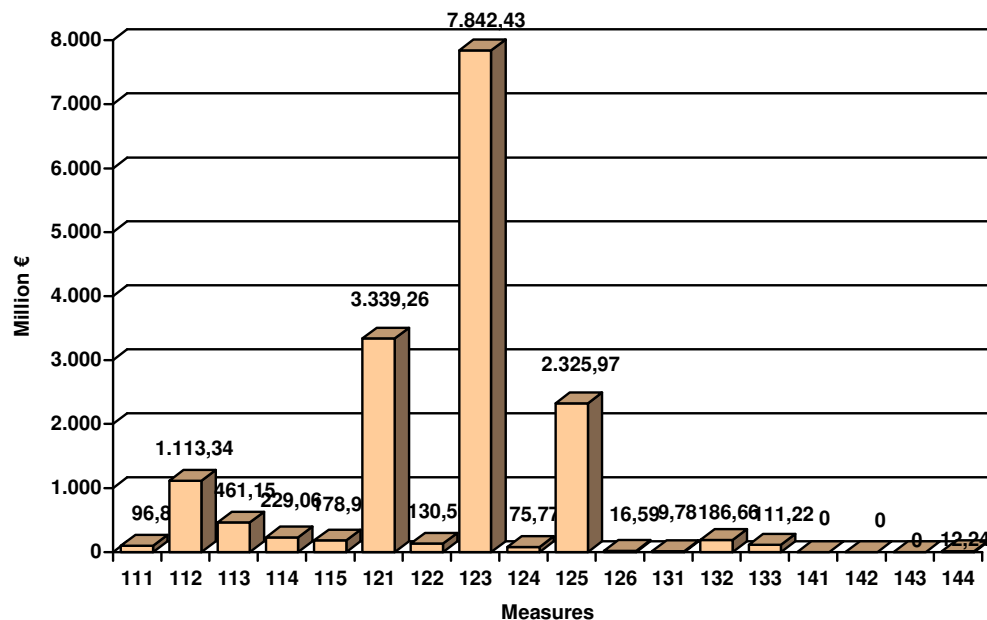
In Spain, objectives are set at the RDP (i.e. regional) level, rather than within the Spanish

Rural Development National Strategy Plan. However, the latter sets the overall axis 1 strategic potential for Spanish RDPs as:

1. Increasing competitiveness and sustainability of agriculture, livestock production and forestry;
2. Increasing competitiveness and sustainability in agri-food industries;
3. Achieving sustainable management of water resources.

The general approach under axis 1 is similar for all the Spanish regions, with a focus on creating a competitive and sustainable agriculture and agri-food industry through investments in modernisation, technology improvements so as to add value to agricultural and agri-food production and adaptation of agriculture to new market conditions and challenges through modern and efficient infrastructure. There is also emphasis on addressing the depopulation and demographic ageing challenges in rural areas by encouraging the set up of young farmers.

Axis 1 budget breakdown by measure: Total allocated budget (including public funds + EAFRD + private funds) of €16,129,780,965



The main emphasis of the Spanish RDPs' strategies is on axis 1 (63% of total budget) and particular priority has been placed on measure 123 (adding value to agricultural and forestry products; 49% of the Spanish axis 1 funding), measure 121 (modernisation of agricultural holdings; 21%), measure 125 (infrastructure related to the development and adaptation of agriculture and forestry; 14%) and measure 112 (setting up of young farmers; 7%). These measures receive the bulk of the Spanish axis 1 funding.

In terms of regional distribution, Andalucía receives 17% of the axis 1 funding, followed by Castilla La Mancha and Castilla y León (13% and 12% respectively), Aragón (10%), Extremadura (9%), Galicia and Cataluña (7% each), while the rest receive between 0.5% and 5% each.

The measures most frequently funded in the regional RDPs are 111, 112, 113, 114, 115, 121, 123, 125, then to a smaller extent measures 122, 124, 132, 133, while the remaining ones are scarcely included in the RDPs (measures 141, 142 and 143 are not included at all, while measure 144 has a very small proportion of the Extremadura RDP budget only).

The proportion of the RDP axis 1 budget allocated to the measures differs between the regions, although the majority allocates most of their axis 1 budget to measures 121 and 123, followed by 125 and 112. Only Asturias and Murcia allocate a third and a fifth of their budget to measures 113 (early retirement) and 124 (cooperation for development of new products, processes and technologies) respectively and Cantabria almost half of its budget to measure 113, the latter reflecting the acute demographic ageing problem of that region where 19% of the population is over 60 years old and the need to increase the economic viability of outdated farms through restructuring.

	121	123	125	112	113	124
AND	21%	44%	22%			
ARA	15%	56%	21%			
AST	18%	30%	15%		29%	
BAL	40%	37%		9%		
CAN	41%	43%	7%			
CANT	15%				46%	
CLM	10%	67%	8%	8%		
CYL	23%	40%	23%	7%		
CAT	22%	40%	10%	12%		
EXT	17%	50%	11%	11%		
GAL	34%	28%		10%		
MAD	24%	58%	13%			
MUR	24%	47%		8%		20%
NAV	37%	39%	20%			
PV	13%	66%				
RIO	15%	55%	18%			
VAL	15%	72%		10%		

Axis 2 objectives - Improving the environment and the countryside

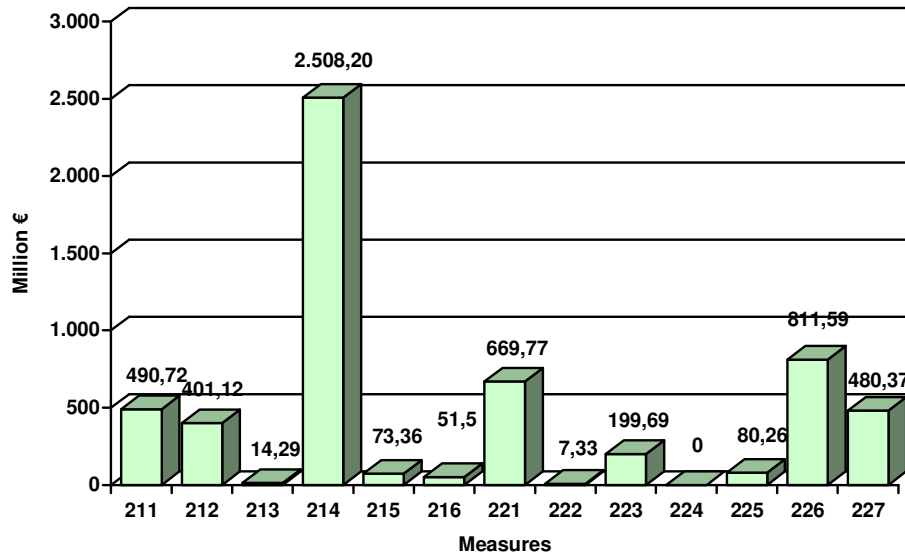
As for axis 1, in Spain, the Spanish Rural Development National Strategy Plan sets the overall axis 2 strategic potential for Spanish RDPs as:

1. Water savings and improvement of water quality;
2. Protection, preservation of the soil and fight against erosion;
3. Conservation and improvement of biodiversity;
4. Fight against climate change and promotion of renewable energies;
5. Maintenance of agrarian landscapes and fight against desertification.

The general approach under axis 2 is similar for all the Spanish regions, with a particularly strong focus on agri-environmental measures in order to promote environmentally friendly agricultural practices. Such practices contribute to the protection of biodiversity and agriculture of high natural value, the improvement of water and soil quality, the fight against climate change and help avoid land marginalisation and abandonment. There is also emphasis on the sustainable use of forest land mainly through actions aiming to increase and

restore the potential of forest surfaces and prevent their loss from natural disasters such as forest fires. Finally, the mountainous character of several Spanish regions and the existence of a significant proportion of other disadvantaged areas or less favoured areas justify the emphasis on measures that subsidise farmers in these areas in order to maintain agricultural activity and reduce the risks of land abandonment and desertification.

Axis 2 budget breakdown by measure: Total allocated budget (including public funds + EAFRD + private funds) of €5,788,212,604



Although the main emphasis of the Spanish RDP strategy is on axis 1, funding under axis 2 aims at improving the environment in rural areas by supporting mainly the agri-environment payments measure (43% of the Spanish axis 2 budget). This is followed by far by measure 226 (restoring forestry potential and introducing prevention actions; 14%), measure 221 (first afforestation of agricultural land; 12%), measure 227 (non-productive investments; 8%) and finally measure 211 (natural handicap payments to farmers in mountain areas; 8%) and measure 212 (payments to farmers in areas with handicaps, other than mountain areas, 7%). These measures receive the bulk of Spanish axis 2 funding.

In terms of regional distribution, Andalucía receives 22% of the axis 2 funding, followed by Castilla La Mancha and Castilla y León (16% and 14% respectively), Extremadura and Galicia (9% each), Aragón and Cataluña (6% each), while the rest receive between 0.5% and 3% each.

The measures funded in practically all regional RDPs are 211, 214, 221, 226, 227, then the measure funded by most RDPs is 212, while measures 222 and 223 are funded by a few and the remaining ones are scarcely included in the RDPs (measure 224 is not included at all, and measures 213, 215, 216 and 225 are included in very few RDPs).

The proportion of the RDP axis 2 budget allocated to the measures differs between the regions, although the majority allocates most of their axis 2 budget to measure 214, followed by measures 226, 227, 211, 212 and 221 which absorb in different proportions per region most of the remaining funds. In some regions the allocation to agri-environment payments

measure 214 can reach as much as two thirds (Valencia 73%) or half (or more) of the axis 2 budget (Aragón, Baleares, Castilla La Mancha, Cataluña, Murcia). Up to a fifth or fourth of the axis 2 budget is allocated in a few regions to measures 221 and 223, while only Baleares allocates a third to measure 216 (non-productive investments) aiming in particular to preserve and manage landscapes in areas of high natural value in some of the islands of the Balearic archipelago.

	214	226	227	211	212	221	223	216
AND	42%	22%				12%		
ARA	49%	10%		14%	10%			
AST	13%	23%		23%			28%	
BAL	55%	6%						29%
CAN	43%	20%	30%					
CANT	29%	18%		48%				
CLM	50%	11%	9%	9%		17%		
CYL	36%			8%	22%	18%		
CAT	60%	8%	11%	12%				
EXT	45%	7%			12%	23%		
GAL	30%	28%		9%			22%	
MAD	34%	31%				24%		
MUR	64%	7%				13%		
NAV	16%	7%	43%	13%	11%	7%		
PV	45%	12%		33%				
RIO	33%	12%	25%	17%			8%	
VAL	73%	9%		7%				

Axis 3 objectives - The quality of life in rural areas and diversification of the rural economy

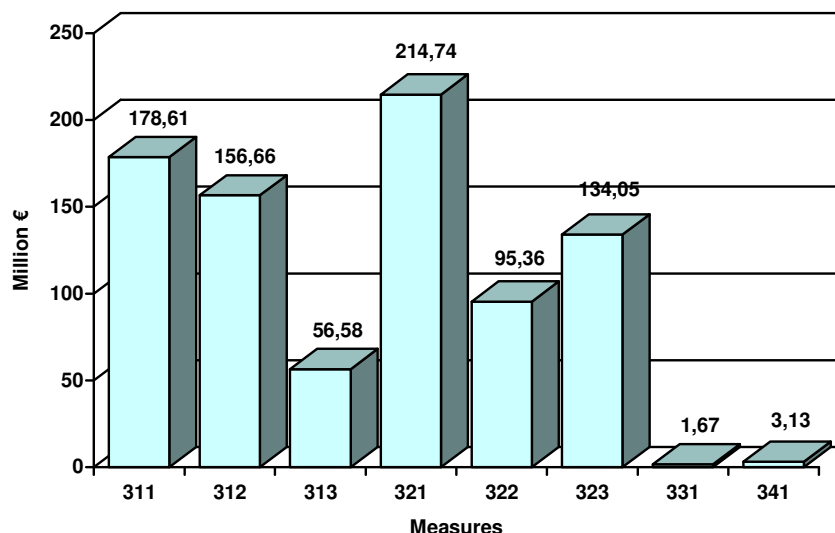
As for axes 1 and 2, in Spain, the Spanish Rural Development National Strategy Plan sets the overall axis 3 strategic potential for Spanish RDPs as:

1. Maintenance of the population in rural areas;
2. Improvement of the quality of life in rural areas;
3. Creation and maintenance of employment in rural areas.

The Spanish RDPs highlight a need for action under axis 3 to improve rural infrastructures and services, promote entrepreneurship and encourage diversification of agricultural activity with the ultimate aim to increase the attractiveness of rural areas, reduce depopulation trends and revitalise rural areas.

It is common in Spanish RDPs that axis 3 measures are wholly or partly financed by axis 4 measures. Some regions do not include any budget at all for axis 3 (Asturias, Baleares, Murcia and Valencia) where indeed all their axis 3 measures are administered under the Leader axis.

Axis 3 budget breakdown by measure: Total allocated budget (including public funds + EAFRD + private funds) of €840,803,536



Although the main emphasis of the Spanish RDP strategy is on axis 1 and axis 3 represents only 3% of the total Spanish budget, the latter aims to encourage diversification and revitalise rural areas in view of depopulation threats. The emphasis of the axis 3 budget is on measure 321 (basic services for the economy and rural population; 25% of the Spanish axis 3 budget), measure 311 (diversification into non-agricultural activities; 21%), measure 312 (support for business creation and development; 19%), measure 323 (conservation and upgrading of the rural heritage; 16%), measure 322 (village renewal and development; 11%) and measure 313 (encouragement of tourism activities; 7%). The axis 3 budget is therefore more evenly split between the majority of measures and not biased towards a limited number of them like under axis 1 or 2. The allocation of the budget to measures 331 and 341 is negligible (less than 0.4%).

In terms of regional distribution, Galicia receives 35% of the axis 3 funding, followed by Cataluña (20%), Aragón (10%) and Andalucía (9%), while the rest receive between 1% and 4.5% each (except for Asturias, Baleares, Murcia and Valencia which receive none).

The proportion of the RDP axis 3 budget allocated to the measures differs between the regions, with some focusing the bulk of their budget on one measure (representative here is Castilla La Mancha with 100% of the axis 3 budget to measure 321 or Cantabria with 73% to measure 321 and Extremadura with 81% to measure 323) and others distributing the axis 3 budget more evenly between measures.

	311	312	313	321	322	323
AND	53%		14%			17%
ARA			12%		64%	23%
AST						
BAL						
CAN			18%	18%	26%	45%
CANT				73%	15%	

CLM			30%		52%	19%
CYL				100%		
CAT	66%			34%		
EXT				10%		81%
GAL	6%	50%		32%		9%
MAD			26%	10%		63%
MUR						
NAV	32%	32%				36%
PV	12%			57%	16%	
RIO			27%		58%	15%
VAL						

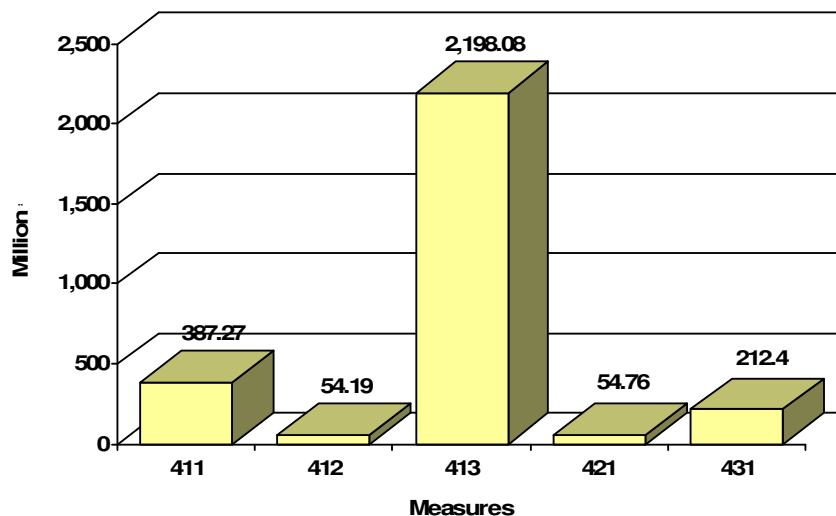
Axis 4 objectives - Leader

As for the other axes, in Spain, the Spanish Rural Development National Strategy Plan sets the overall axis 4 strategic potential for Spanish RDPs as:

1. Improvement of governance in rural areas;
2. Mobilisation of the endogenous development potential in rural areas.

Spain has a tradition in the set up and functioning of Local Action Groups (LAGs) in order to deliver locally tailored solutions in which the building of capacity in locally-led partnerships is a key element. LAGs aim to ensure a bottom-up approach to delivering RDP actions. 11% of the total Spanish budget is allocated to axis 4, which guarantees LAGs the management of a similar budget to the one they obtained in the previous programming period. The axis 4 measures aim at supporting the implementation of other axis measures through the LAGs, in particular axis 3 measures which are often partially or wholly financed by axis 4.

Axis 4 budget breakdown by measure: Total allocated budget (including public funds + EAFRD + private funds) of €2,906,700,110



The main emphasis of the Spanish axis 4 budget is on quality of life and diversification (measure 413; allocated 76% of the axis 4 budget) which supports axis 3 type actions. This is followed by measure 411 (competitiveness; 13%) which complements axis 1 measures and measure 431 (running the local action group, skills acquisition, animation; 7%). The latter is particularly supported in some RDPs following the 2009 RDP revisions in order to improve capacities and management of local action groups, considered the drivers for locally driven operations.

In terms of regional distribution, Andalucía receives 21% of the axis 4 funding, followed by Castilla y León (14%), Galicia (11%), Cataluña (10%), Castilla La Mancha and Aragón (9% each), while the rest receive between around 1% and 4% each.

The proportion of the RDP axis 4 budget allocated to the measures does not differ much between the regions, with all of them allocating primarily their axis 4 budget to measure 413, followed in some regions by measures 411 and then measure 431.

	413	411	431	412
AND	64%	20%	7%	
ARA	75%	17%		
AST	93%			
BAL	95%			
CAN	52%	34%	11%	
CANT	74%	6%	15%	
CLM	86%		12%	
CYL	90%		8%	
CAT	68%	25%	5%	
EXT	69%	20%	9%	
GAL	63%	23%	8%	
MAD	93%			
MUR	81%	12%	6%	
NAV	72%	9%	7%	10%
PV	98%			
RIO	79%	12%	7%	
VAL	88%		7%	

The National Rural Network

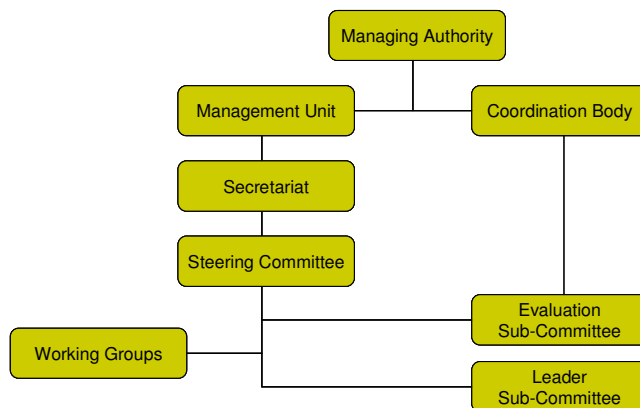
The Spanish National Rural Network (Spanish NRN) has been set up in line with the EU Rural Development Regulation, to help exchange good practice and expertise on rural development policy design, programme management and implementation between the stakeholders of the Spanish RDP and the European Rural Development Network.

The Spanish NRN was put in place as an integrated system designed to strengthen links, disseminate experiences and constitute a common cooperation ground for all actors involved in sustainable rural development in Spain. It is composed of actors from a wide spectrum of sectors – notably, public administration, universities, federations, social partners, professional associations, other rural networks and non-governmental organisations (NGOs).

The network has four main strategic objectives:

1. improve the implementation of the 2007–13 rural development programme in the whole rural territory;
2. increase the development capacity of rural territories and promote the bottom-up approach;
3. promote knowledge about the rural environment;
4. create a stable cooperation framework between all actors involved in sustainable rural development.

These objectives are achieved through a series of actions incorporated in the network's work programme or Action Plan. Four actions – namely, strengthening of the programming and implementation capacity of the rural development programmes; improving governance capacity; identification, analysis & dissemination of transferable good practice; and management of the NRN – will help realise the first strategic objective (improve the implementation of the 2007–13 rural development programme in the whole rural territory). A further three actions – technical assistance for building the capacity of actors involved in rural development; technical assistance in the fields of inter-territorial and transnational cooperation; and technical assistance for the implementation of pilot projects – will work to achieve the second strategic objective (increase the development capacity of rural territories and promote the bottom-up approach). One other action comprises the dissemination to society in general, and to rural society in particular, of rural values, rural development policy and experiences and knowledge in the rural development field. This action serves the third objective of the network's strategy (promote knowledge about the rural environment).



The Spanish NRN is part of the Managing Authority, which is the Directorate-General of Sustainable Rural Development of the Ministry of Environment and Rural and Marine Areas. The Steering Committee is responsible, together with the Managing Authority, for controlling the quality of the programme's implementation. It is chaired by the Director General of Sustainable Rural Development and it is composed of

representatives from all the member organisations of the network as well as a representative of the European Commission. A special feature of the Spanish NRN (given the large number of Spanish programmes) is the Coordination Body set up for the coordination of all 17 regional development programmes in Spain.

Monitoring and evaluation strategy

Monitoring and evaluation (M&E) systems are set up at the regional level in Spain to monitor/evaluate the regional RDPs. In each of the 17 Spanish regions, the monitoring system provides information on programme implementation through financial, output, result and impact indicators. The Monitoring Committee, which is responsible for the M&E system, uses this information to propose necessary amendments of the RDP in subsequent years. The Monitoring Committee comprises representatives of the relevant Managing Authority and

other key stakeholders from the public, private and voluntary sectors.

Each programme is subject to a continuous evaluation system that comprises annual interim reports on the development of activities as well as an interim and an ex post evaluation in 2010 and 2015 respectively. Additional thematic evaluations are foreseen in some programmes (Asturias, Castilla La Mancha, Murcia, La Rioja) and cover themes such as the Leader approach, horizontal principles (e.g. the environment), the agri-environment measures and any other additional theme deemed pertinent/necessary by the respective Monitoring Committee.

The objectives of the evaluations are to improve the quality and increase the effectiveness and efficiency of programme implementation. The evaluations use the output, results and impact indicators defined by the Common Monitoring and Evaluation Framework (CMEF), while some 10 RDPs provide additional output, result and impact indicators for certain measures. Examples of additional Spanish RDP indicators include:

- The size of Natura 2000 surfaces under agri-environment commitments (Andalucía);
- The growth of agri-food production (Aragón);
- The maintenance of biodiversity measures through the number of flora species under risk of extinction (Castilla La Mancha);
- Consolidation of new jobs in rural areas (Cataluña);
- The dynamism of rural areas measured through population density (Extremadura);
- The development potential of non-agrarian enterprises in rural areas (Galicia);
- Surface/number of farms in mountainous / non-mountainous and Natura 2000 areas (Madrid);
- Migratory flows towards areas supported by the programme (Basque Country);
- Irrigation infrastructure, e.g. surface irrigated by spraying or dripping (La Rioja);
- Re-utilisation of waste water for irrigation purposes (Valencia).

Communication and publicity

Communication and publicity strategies are developed at regional level in Spain. Each regional RDP has defined its communication and publicity strategy, its target groups and dissemination methods. All 17 RDPs use the same three main components for their communication and publicity strategies which 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 community contribution, with the aim to inform actual beneficiaries of the financial contribution of EARDF and the relation of the support they receive with the relevant RDP priority; c) dissemination of results and the role of the European Community, 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 are used to support these actions, including information in the media (press, TV, radio), information services to beneficiaries and the public, meetings and events (workshops, seminars, etc.), audiovisual tools, leaflets and publications, web pages.

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 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
Axis 4 - Leader	<i>Implementing local development strategies</i>	341	Skills-acquisition and animation measure with a view to preparing and implementing a local development strategy
		411	Competitiveness
		412	Environment/land management
		413	Quality of life/diversification
		421	Implementing cooperation projects
431	Running the local action group, skills acquisition, animation		

Annex II – List of Spanish regions

Autonomous Community (region)	Abbreviation
Andalucía	AND
Aragón	ARA
Asturias	AST
Baleares	BAL
Canarias	CAN
Cantabria	CANT
Castilla La Mancha	CLM
Castilla y León	CYL
Cataluña	CAT
Extremadura	EXT
Galicia	GAL
Madrid	MAD
Murcia	MUR
Navarra	NAV
País Vasco	PV
La Rioja	RIO
Valencia	VAL