

## Rural Development Programme (RDP) of Madrid, Spain

### Programa de Desarrollo Rural de la Comunidad de Madrid<sup>1</sup>

(Rural Development Programme of the Community of Madrid)

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#### Managing Authority Website:

[http://www.madrid.org/cs/Satellite?c=CM\\_Agrupador\\_FP&cid=1142359945104&idConsejeria=1109266187260&idListConsj=1109265444710&idOrganismo=1142359945104&language=es&page\\_name=ComunidadMadrid%2FEstructura&pid=1109265444699](http://www.madrid.org/cs/Satellite?c=CM_Agrupador_FP&cid=1142359945104&idConsejeria=1109266187260&idListConsj=1109265444710&idOrganismo=1142359945104&language=es&page_name=ComunidadMadrid%2FEstructura&pid=1109265444699)

#### 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](http://www.mapa.es/es/desarrollo/pags/programacion/plan_estrategico/plan_estrategico.htm)

Spanish National Rural Network (NRN):

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



**Map of Madrid**

(© European Commission)

## General socio-economic situation in rural areas in the Madrid region

The autonomous community of Madrid is located in the middle of Spain and is home to the capital of the country (Madrid). It is a predominantly urban region with a size of 8,030 km<sup>2</sup>. According to the Regional Development Plan baseline figures for Madrid in 2004, Madrid has a population of 5,804,829 inhabitants and a population density of 723 inhabitants/ km<sup>2</sup>. However, population density varied significantly, with more than 5,117 inhabitants per km<sup>2</sup> in the Municipality of Madrid and less than 22 inhabitants per km<sup>2</sup> in Sierra Norte. The rural population represents only 3.62% of the total population of the region.

Socio-economic strengths include: a relatively high gross domestic product (GDP) per capita, amounting to €27,326 (the highest of all Spanish regions and €6,462 more than the national average); low depopulation trends in rural areas; developed infrastructure networks; a large diversity of agrarian products (livestock production is the most productive agricultural sector

<sup>1</sup> Latest updated RDP, following the adoption of the Health Check and European Economic Recovery Package and additional funds from Modulation.

in the region, followed by the production of cereal and vegetables); a robust agri-food sector in a national context (8.01% of the national gross value added – GVA); well conserved rural areas with high cultural and tourism interest; important livestock heritage for social and tourism use, as well for traditional livestock production; and a well developed training infrastructure in rural areas.

Weaknesses include: a high and rising unemployment rate; significant net demographic ageing in rural areas; low professional qualifications of the agrarian population; poor contribution in terms of agriculture in the regional GDP (0.1% of the total); a 23% share of municipalities are disadvantaged areas with geographic isolation and development difficulties; insufficient infrastructure in terms of public services in rural areas; low associative spirit in several agricultural sectors; loss of agrarian employment due to the abandonment of agricultural activity and land, with most farms operating on a part time basis - a factor which further reduces their competitiveness in terms of imported products.

As regards the environment, the Madrid region has: a large surface covered by protected spaces (39.77% of the territory is 'Natura 2000'); a diversity of landscape, ecosystems and biodiversity; low pollution levels in agricultural and forest soil and good quality of water resources; and there is a significant reduction in surfaces affected by forest fires as a result of very efficient fire prevention systems. However, environmental awareness is low, and accompanied by an insufficient environmental infrastructure in agricultural production processes, particularly in relation to irrigation systems, which lack modernisation and employ gravity systems, characterised by high water losses.

Following the CAP Health Check, the European Economic Recovery Package, as well as modulation and the wine reform, greater emphasis now being given to the 'new challenges' facing agriculture and rural areas. Thus, the RDP was revised in 2009 to place additional emphasis on water management, which is one of the weaknesses already identified in the SWOT analysis of the region.

## **RDP strategic objectives**

The main strategic objective of the RDP is to contribute to the conservation of the rural character, values and functions in the Madrid Autonomous Community, as well as adapt to new challenges. Such challenges stem from the exceptional 'spread' of urban towards rural areas and the limited weight of agriculture in the regional economy. At the same time, rural areas are important for the maintenance of ecosystems and natural resources as well as the maintenance of the rural tradition that characterises the region.

Priorities and objectives of this RDP comprise:

1. Competitiveness
2. Sustainability and the natural environment
3. Improvement of the quality of life in rural areas
4. Development of local capacity and diversification

The overall objectives were chosen in accordance with the Community Strategic Guidelines (CSG), the National Strategy Plan and the Spanish National Framework. Measures proposed are aligned with the objectives set and correspond to identified strengths and weaknesses.

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<sup>2</sup> Detailed information on the individual measures can be found in Annex I.

There is special emphasis on environmental issues, rural tourism and capacity building in rural areas.

Taking into account the additional financing in the revised RDP and the socio-economic situation in rural areas, greater strategic priority is now given to water management. The reinforcement of water management actions as a 'new challenge' correlates to the economic and environmental issues identified in the National Strategy Plan, which has defined "water management" as a strategic priority to be promoted at national level. The new investments proposed in the revised RDP Madrid, aimed at promoting water-saving, will certainly contribute to the achievement of goals set at national level.

### **Expected impact / outcomes of the policies**

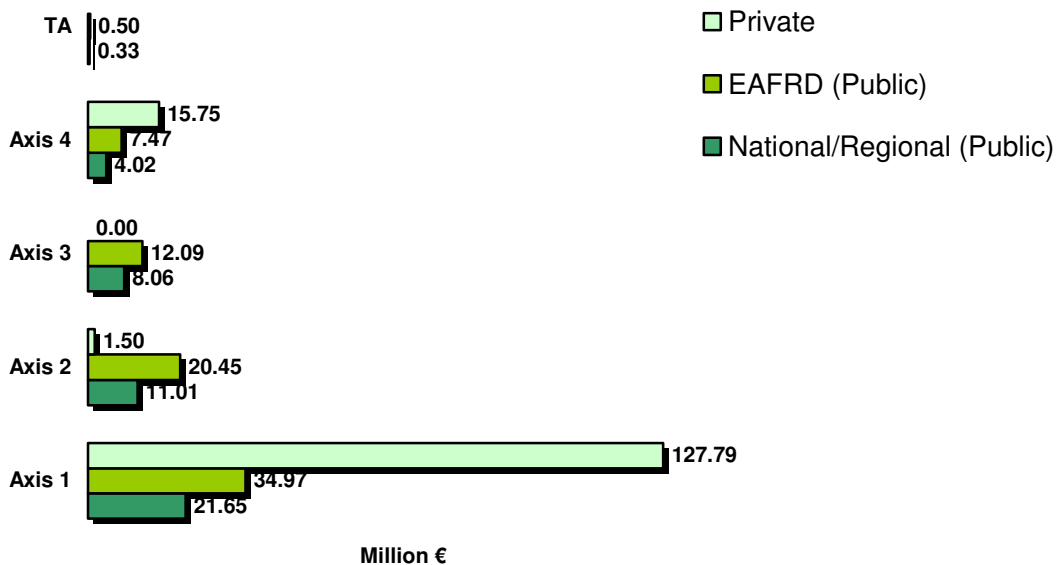
Expected socio-economic outcomes include a direct improvement in terms of income for the rural population, better/increased training and education in the rural sector, a better age structure in the agrarian sector (higher participation of young people), diversification of agricultural activity, employment creation in the non-agrarian sector, improved tourism infrastructure in rural areas, increased internet penetration and the development of the service sector.

Expected impacts include:

- economic growth (net value added) of €29,494;
- employment creation (net number of full-time jobs generated): expect to maintain at least the current employment growth rate;
- increases in labour productivity (variations of net value added in relation to the net number of full-time jobs generated): expect at least 1.2% increase - €48.58;
- reduction of biodiversity deterioration (percentage change measured by noting the biodiversity of birds in rural areas); expect a 5.5% increase of birds;
- maintenance of agriculture and forest areas with high natural value (HNV) i.e. quantitative and qualitative changes;
- improvement in the quality of water (changes in the net balance of nutrients); and
- contributing to the fight against climate change (changes in the production of renewable energy as a result of RDP actions).

Expected impacts from 2009's RDP amendment relate to improving the capacity of using water more efficiently. In addition, users will be able to carry out irrigation investments inside their holdings as a complement to the common irrigation systems financed outside the holdings (better coordination between measures 121 and 125, dealing with 'modernisation of agricultural holdings' and 'infrastructure related to the development and adaptation of agriculture and forestry', respectively). Further expected impacts from investments in the agri-food industry include the overall improvement of the competitiveness of the agricultural sector. Modifications in output and results indicators are presented below under each axis.

## RDP budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding) of €265,594,990



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 69% of the overall RDP budget in Madrid is allocated to axis 1 (€184,416,215 million); approximately 12% is allocated to axis 2 (€32,953,846 million), 8% to axis 3 (€20,156,945 million) and 10% to axis 4 (€27,234,650 million), with 0.3% available to fund 'technical assistance' (€833,333 million).

Within axis 1, National/Regional public funding represents an approximate 12% share of the axis funding; EAFRD 19%; and private funds 69%.

Within axis 2, National/Regional public funding represents an approximate 33% share of the axis funding; EAFRD 62% and private funds 5%.

Within axis 3, National/Regional public funding represents an approximate 40% share of the axis funding; EAFRD 60%; and no private funds.

Within axis 4, National/Regional public funding represents an approximate 15% share of the axis funding; EAFRD 27%; and private funds 58%.

Within 'technical assistance', National/Regional public funding represents an approximate 40% share of the technical assistance funding and EAFRD 60%.

As a result of the RDP revisions in 2009, the total budget for the Madrid region is now €265,594,990, including an additional €6,629,677 (€4,972,258 EAFRD + €1,657,419 Regional/National public funds) from the HC and the EERP focused on water management.

Furthermore, an additional €929,690 EAFRD from modulation adjustments as well as 'wine reform' has been allocated to support village renewal and development, to enhance the running costs of Local Action Groups (LAGs) and to endow 'technical assistance' with funding that did not previously exist. Other (small) modifications of a technical nature have been introduced and intend to improve the implementation of the programme as well as the understanding of the measures by the beneficiaries, and update legal references.

## Axis Information<sup>2</sup>

### ***Axis 1 objectives – Improving the competitiveness of the agricultural and forestry sector***

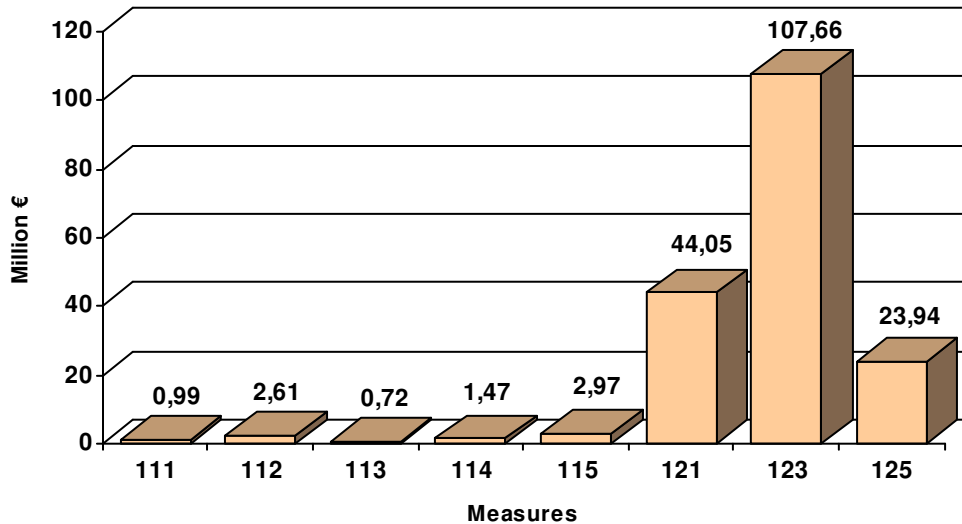
The emphasis of this axis is on 'adding value to agricultural products' (measure 123; 58% of total budget for axis 1), 'modernisation of agricultural holdings' (measure 121; 24%) and infrastructure development (measure 125; 13%).

Result targets for axis 1 are manifold and include: 4,200 participants that have successfully completed training activities (at least 45% of which should be women and another 45% aged below 40); 4 publications per year; 20 scientific articles per year; 4 open-door and professional workshops per year; participation in an average of 6 fairs per year; a €1,000-€50,000 increase (depending on the measure) in the GVA of supported agricultural holdings; up to 90 agricultural holdings to have introduced new products and/or techniques; 3,000-5,000 ha (depending on the measure) to contribute to the reduction in the annual consumption of irrigation water; 3,000 ha to contribute to the recovery of contaminated soils; 30,000,000 m<sup>3</sup> reduction in the annual consumption of irrigation water; 200 km of improved road infrastructure; 50 km of access roads and 50 km of electric lines improved.

Specific modifications to output and result indicators have been made in order to take account of the amendments to the RDP. Output indicators relate to increases in the number of agricultural holdings supported, and in the volume of investments. Result indicators have been updated for measure 121 which is the one benefiting from the additional funding in the revised RDP. They comprise an increase in the number of holdings introducing new products and/or new techniques from 30 to 90, an increase in the area supported that contributes to the decrease of the annual consumption of irrigation water per ha (from 1,000 to 3,000) and an update of the reduction in the annual consumption of irrigation water (from 20,000,000 m<sup>3</sup> to 30,000,000 m<sup>3</sup>).

Strategic objectives	Specific objectives
Promote knowledge and improve human potential	<ul style="list-style-type: none"> <li>- Maintain agricultural activity</li> <li>- Promote the participation of young people in activities linked to the rural environment</li> <li>- Promote the associative tissue in the agrarian sector</li> </ul>
Restructuring and development of the physical potential and promotion of innovation	<ul style="list-style-type: none"> <li>- Improve rural infrastructure and equipment</li> <li>- Modernise agri-food industries and promote the quality of agri-food products</li> <li>- Promote the establishment of agri-food industries in rural areas</li> </ul>

**Axis 1 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of € 184,416,215**



Following the 2009 RDP update, the total budget for axis 1 is €184,416,215, including an additional €6,629,677 (€4,972,258 EAFRD + €1,657,419 regional/national public funds), targeted at water management under measure 121 (modernisation of agricultural holdings). The additional funds intend to promote more efficient irrigation methods within the holdings. The modification specifically relates to the reinforcement of the existing sub-measure 121.3 - 'improvement of individual irrigation systems'. The level of assistance in terms of this sub-measure has increased by 10%. Another modification that does not imply any financial changes to the RDP, is the introduction of a new sub-measure (123.3) regarding the "support for investments in the agri-food industry" (for cooperatives and associative entities in agriculture) under measure 123 (adding value to agricultural and forestry products). Madrid split measure 123.1 into 2 sub-measures (123.1 and 123.3), in order to have a separate sub-measure (123.3) aimed solely at cooperatives and associative entities in agriculture. This division is due to the need to promote and facilitate the access of cooperatives and associative entities in agriculture, to projects related to processing and marketing.

**Axis 2 objectives - Improving the environment and the countryside**

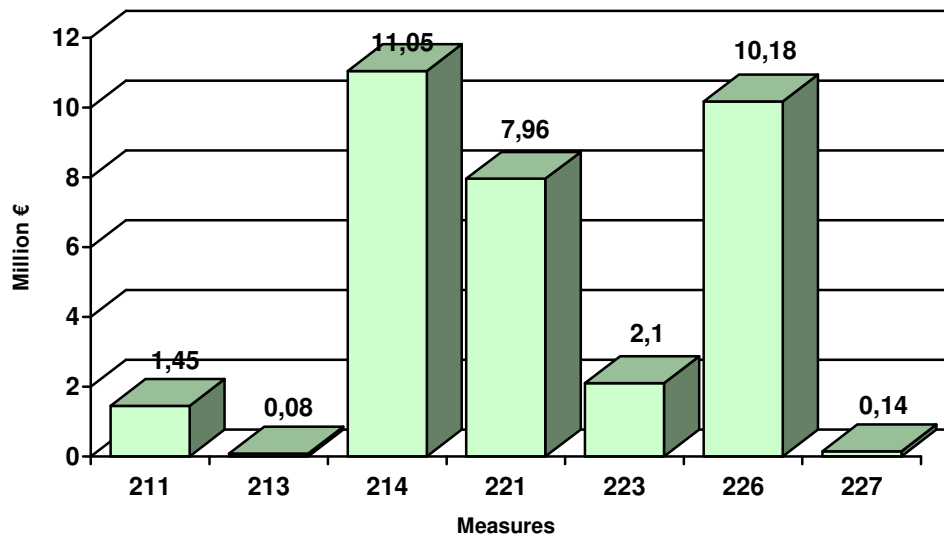
The emphasis of this axis is on 'agri-environment payments' (measure 214; 34% of total axis 2 budget), 'restoring forestry potential and introducing prevention actions' (measure 226; 31%) and 'first afforestation of agricultural land' (measure 221; 24%).

Result targets for axis 2 include a surface of approximately 600-16,000 ha (depending on the measure, although for forestry measures the target can reach 422,000 Ha) that contribute to improvement of biodiversity and agriculture of HNV, the improvement of water quality, fighting against climate change, the improvement of soil quality and avoiding land marginalisation and abandonment. Other result targets include 1,100 ha under land management that contributes to reducing water consumption, up to 12,000 ha that contributes to reducing soil loss as a result of erosion and another 1,100 that contributes to the recovery of contaminated soil.

There were no modifications to axis 2 indicators following the RDP update in 2009.

Strategic objectives	Specific objectives
Sustainable use of agricultural land	<ul style="list-style-type: none"> <li>- Rational and efficient use of water</li> <li>- Promote sustainable agriculture and agri-environmental activities in protected areas</li> <li>- Increase knowledge and recognition of the rural environment</li> </ul>
Sustainable use of forest land	<ul style="list-style-type: none"> <li>- Improve the mountains and their structure</li> <li>- Valorise mountains to increase the quantity and variety of forest production</li> <li>- Preserve and valorise the natural environment as an asset in rural areas</li> </ul>

**Axis 2 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of € 32,953,846**



There were no financial modifications in relation to axis 2 following the 2009 RDP update.

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

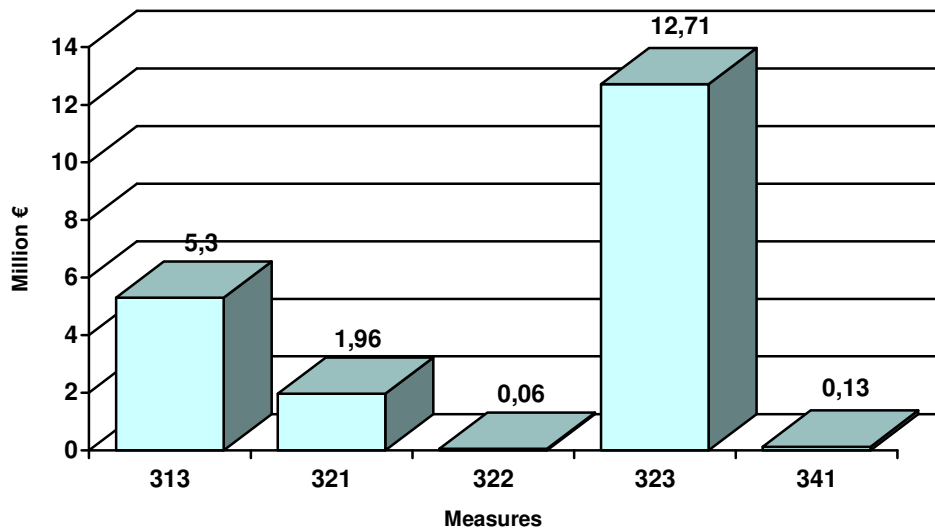
The bulk of the budget for this axis is devoted to the 'conservation and upgrading of the rural heritage' (measure 323; 63% of total budget for axis 3), followed by the 'encouragement of tourism activities' (measure 313; 26%) and 'basic services for the economy and rural population' (measure 321; 10%).

Result targets for axis 3 include an additional 15,000 tourists, 10 employment posts created, 27,300-200,000 (depending on the measure) people living in rural areas benefiting from improved services, 18 participants to have successfully completed training activities.

There were no modifications to axis 3 indicators following the RDP update in 2009.

Strategic objectives	Specific objectives
Diversification of the rural economy	- Promote and improve quality rural tourism
Improvement in the quality of life in rural areas	- Maintain cultural heritage in rural areas - Increase the active participation of women in rural areas
Acquisition of capacities and promotion of rural areas with a view to elaborate and apply a local development strategy	- Improve human capacities in rural areas

**Axis 3 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of € 20,156,945**



Following the 2009 RDP update, the total budget for axis 3 is €20,156,945 including an additional €8,667 EAFRD targeted at measure 322 ('village renewal and development') in order to correct a material error related to 'carried-over' commitments.

**Axis 4 objectives - Leader**

The emphasis of this axis is on 'quality of life and diversification' (measure 413; 93% of total budget for axis 4).

Result targets for axis 4 include gross employment creation (350 jobs is the target set as part of measure 413 which absorbs the bulk of the budget).

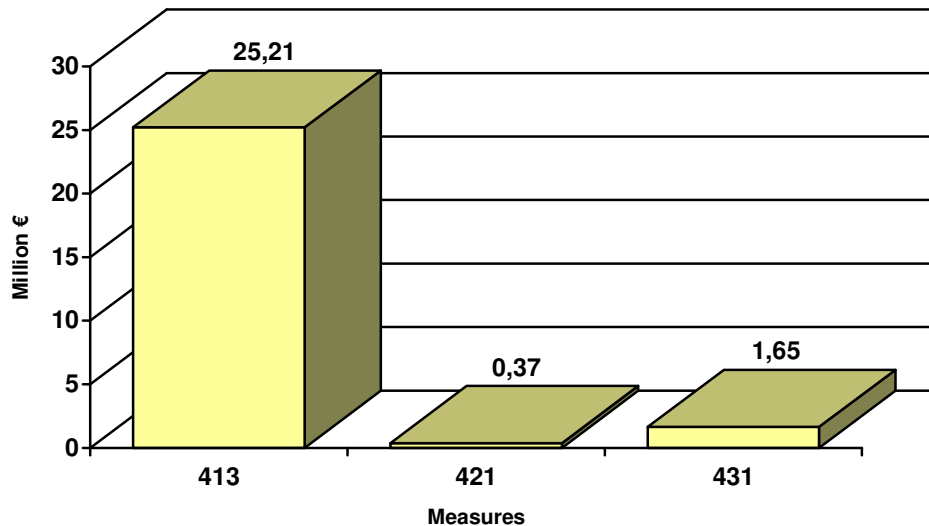
There were no modifications to axis 4 indicators following the RDP update in 2009.

Strategic objectives	Specific objectives
Reinforce the role of Local Action Groups (LAGs) to bring dynamism and cohesion to rural areas	- Improve governance - Mobilise the potential for endogenous development in rural areas



The number of LAGs operational in the RDP areas as of March 2010 was 5.

**Axis 4 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of € 27,234,650**



Following the 2009 RDP update, the total budget for axis 4 is €27,234,650, including an additional €421,023 EAFRD that is targeted at measure 431 ('running the local action group, skills acquisition, animation'), stemming from the need to increase the available budget in order to ensure a better implementation of this measure. Amendments to measure 431 also include an increase in the limit of eligible running costs, from 15% to 20% of the total public expenditure of the local development strategy.

### Monitoring and evaluation strategy

The RDP's monitoring of the programme is facilitated by two independent but complementary instruments: annual interim reports and continuous evaluation. The monitoring system provides information on programme implementation through financial, input, output and result indicators. The Monitoring Committee uses this information to propose necessary amendments of the RDP for subsequent years.

The evaluation strategy comprises, in addition to the continuous evaluation, 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. Furthermore, the evaluations assess the impact of the programme on the specific rural development problems of Madrid. The evaluations use the output, result and impact indicators defined by the Common Monitoring and Evaluation Framework (CMEF) and some additional output and result indicators for each measure in Axes 1, 2 and 3, covering issues related to:

- the participation of women and people under 40, quantity of dissemination material and scientific studies, surfaces that contribute to the recovery of contaminated soil, irrigation water savings, farms in mountainous areas, road infrastructure and electric line improvements (axis 1)
- surface/number of farms in mountainous, non mountainous areas or 'Natura 2000' areas,

surface/number of farms that apply organic farming, conservation of genetic resources in 'Natura 2000' areas, reduction in the use of fertilisers and pesticides in certain types of crops, contribution to water savings and to the recovery of contaminated soils, reduction of soil loss from erosion, number of beneficiaries from forestry measures, extent of reforestation with autochthonous species, (axis 2)

- actions related to economic activity, (axis 3)
- it is foreseen that more additional indicators will be defined.

## **Communication and publicity**

The communication plan comprises three components and target groups:

- a) Dissemination of the RDP to potential beneficiaries, professional organisations, economic, social and environmental agents, organisations that promote equal opportunities and NGOs;
- b) Information to actual beneficiaries about the EU contribution; and
- c) Dissemination of results and the role of the EU to the general public.

Information to target groups will be distributed in a number of ways including, via the website [www.madrid.org](http://www.madrid.org), information in the regular publications of the Managing Authority (e.g. agrarian bulletin), periodical meetings and information sessions with relevant stakeholders (local/regional authorities, professional organisations, social partners, NGOs, etc.), the installation of signs/plaques/posters in beneficiary premises and LAGs, including the use of the European flag with the sentence "European Agricultural Fund for Rural Development: Europe invests in rural areas".

## Annex I – measure

Measures selected by the RDP	Measures selected by the updated RDP
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<b>Axis 1 - Improving the competitiveness of the agricultural and forestry sector</b>	<i>Promoting knowledge and improving human potential</i>	<b>111</b>	Vocational training and information actions
		<b>112</b>	Setting up of young farmers
		<b>113</b>	Early retirement
		<b>114</b>	Use of advisory services
		<b>115</b>	Setting up of management, relief and advisory services
	<i>Restructuring and developing physical potential and promoting innovation</i>	<b>121</b>	Modernisation of agricultural holdings
		<b>122</b>	Improvement of the economic value of forests
		<b>123</b>	Adding value to agricultural and forestry products
		<b>124</b>	Cooperation for development of new products, processes and technologies in the agriculture and food sector and in the forestry sector
		<b>125</b>	Infrastructure related to the development and adaptation of agriculture and forestry
		<b>126</b>	Restoring agricultural production potential
	<i>Quality of agricultural production and products</i>	<b>131</b>	Meeting standards based on EU legislation
		<b>132</b>	Participation of farmers in food quality schemes
		<b>133</b>	Information and promotion activities
	<i>Transitional measures</i>	<b>141</b>	Semi-subsistence farming
<b>142</b>		Producer groups	
<b>143</b>		Providing farm advisory and extension services	
<b>Axis 2 - Improving the environment and the countryside</b>	<i>Sustainable use of agricultural land</i>	<b>211</b>	Natural handicap payments to farmers in mountain areas
		<b>212</b>	Payments to farmers in areas with handicaps, other than mountain areas
		<b>213</b>	Natura 2000 payments and payments linked to Directive 2000/60/EC
		<b>214</b>	Agri-environment payments
		<b>215</b>	Animal welfare payments
		<b>216</b>	Non-productive investments
	<i>Sustainable use of forestry land</i>	<b>221</b>	First afforestation of agricultural land
		<b>222</b>	First establishment of agroforestry systems on agricultural land
		<b>223</b>	First afforestation of non-agricultural land
		<b>224</b>	Natura 2000 payments
		<b>225</b>	Forest-environment payments
		<b>226</b>	Restoring forestry potential and introducing prevention actions
<b>Axis 3 - Quality of life in rural areas and diversification of the rural economy</b>	<i>Diversify the rural economy</i>	<b>311</b>	Diversification into non-agricultural activities
		<b>312</b>	Support for business creation and development
		<b>313</b>	Encouragement of tourism activities
	<i>Improve the quality of life in rural areas</i>	<b>321</b>	Basic services for the economy and rural population
		<b>322</b>	Village renewal and development
		<b>323</b>	Conservation and upgrading of the rural heritage
		<b>331</b>	Training and information
		<b>341</b>	Skills-acquisition and animation measure with a view to preparing and implementing a local development strategy
<b>Axis 4 - Leader</b>	<i>Implementing local development strategies</i>	<b>411</b>	Competitiveness
		<b>412</b>	Environment/land management
		<b>413</b>	Quality of life/diversification
	<b>421</b>	Implementing cooperation projects	
	<b>431</b>	Running the local action group, skills acquisition, animation	