

Rural Development Programme (RDP) of Navarra, Spain

Programa de Desarrollo Rural de la Comunidad Foral de Navarra – May 2010¹
(Rural Development Programme of the Autonomous Community of Navarra)

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www.cfnavarra.es/agricultura/desarrollo/presenta.htm



Map of Navarra (© European Commission)

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

Spanish National Rural Network (NRN):

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

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

Navarra is located in the north of Spain (bordering France) and is a self-governed region with a territory of 10,391 km² (2.7% of the Spanish surface). The RDP provides baseline figures for Navarra in 2005 which show that: the region has a population of 593,472 inhabitants and a population density of 57.11 inhabitants/km². Other baseline data shows that rural areas account for 90% of the territory (252 out of the 272 municipalities) with a population of 260,963 inhabitants (43.97% of the region's population).

Socio-economic strengths include a very high GDP per capita (125% of the EU average). The area is further characterised by high productivity, cultural, physical and economic diversification (also in the agricultural sector) and a 5.5% unemployment rate which is below the EU average. In terms of agriculture, the fastest growing sectors are fruit, wine and olive oil. The agri-food industry continues to grow as a key economic driver within rural areas (increasing at an annual rate of 1.58% and providing 17% of the employment in Navarra), as well as tourism (especially agritourism and the exploitation of livestock routes). An important strength of the region is the ease at which farmers can access training and advice. The area also places significant emphasis on investing in research & development (R&D) and the incorporation of innovation in both agricultural production and the agri-food industry. The

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

region is rich in cultural and natural heritage and has an extensive network infrastructure and services available to the rural population.

Weaknesses of the region include a significant demographic ageing (especially in rural areas), low participation of women in the agrarian sector, and a deficient irrigation infrastructure coupled with irrigation water scarcity. The small size and high fixed costs of agricultural holdings may be a factor in terms of the dramatic decrease in certain types of crops (fodder plants, industrial plans and potatoes). The area also has lower productivity due to high fixed costs in the forestry sector, and a low level of education and training in the agricultural sector.

In terms of the environment, 24.3% of the territory is covered by the 'Natura 2000' network. The area boasts habitats and agriculture ecosystems of high heritage, natural and landscape value. The development of renewable energy is considerable, coupled with an increasing environmental awareness in the agriculture and agri-food sectors. -However, 33.64% of the agricultural surface is classified as less-favoured or protected. In addition, agricultural activity and deficient pasture management have impacted negatively on pastures and the loss of habitats and ecosystems. Sustainable agriculture (through organic and integrated production) is not very developed.

As a result of the CAP Health Check and the European Economic Recovery Package (EERP), the RDP was revised in 2009, in recognition of the greater emphasis now being given to the 'new challenges' facing agriculture and rural areas. Additional resources are now being directed towards water savings (all other 'new challenges' were already sufficiently addressed under the different RDP axes). The SWOT analysis noted the existence of serious deficiencies in the use of water resources in Navarra, as well as the need to carry out important investments to ration and save water by promoting the modernisation of the irrigation system. The most significant areas to be addressed are: the dominance of the traditional old irrigation system which uses the gravity system and is inefficient in terms of water use, environmental problems resulting from the use of fertilisers, as well as the way water has been used (decreasing water quality from filtration and diffusion of nitrogen towards deep waters, resulting in an increase of the number of vulnerable zones). Furthermore, following modulation adjustments and the wine reform, greater emphasis has been given to mountainous and other less favoured areas (LFAs).

RDP strategic objectives

The RDP's priorities and objectives comprise:

- 1) Competitiveness of the agri-food sector;
- 2) Sustainability of the natural environment;
- 3) Diversification of the quality of life in rural areas; and
- 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 in line with set objectives and were selected according to their capacity to address the identified strengths and weaknesses.

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 the modernisation of the irrigation system by using new technologies to save water. All of the additional RDP funding allocated in 2009 from the HC and the EERP, has been earmarked for the region's water management, and is defined as a strategic priority to promote at national level in the Spanish NSP. The new investments proposed in the revised RDP aim to achieve the goals set at national level as regards water saving. In addition, the additional finance from modulation and 'wine reform' has been allocated to mountainous areas and other LFAs.

Expected impact / outcomes of the policies

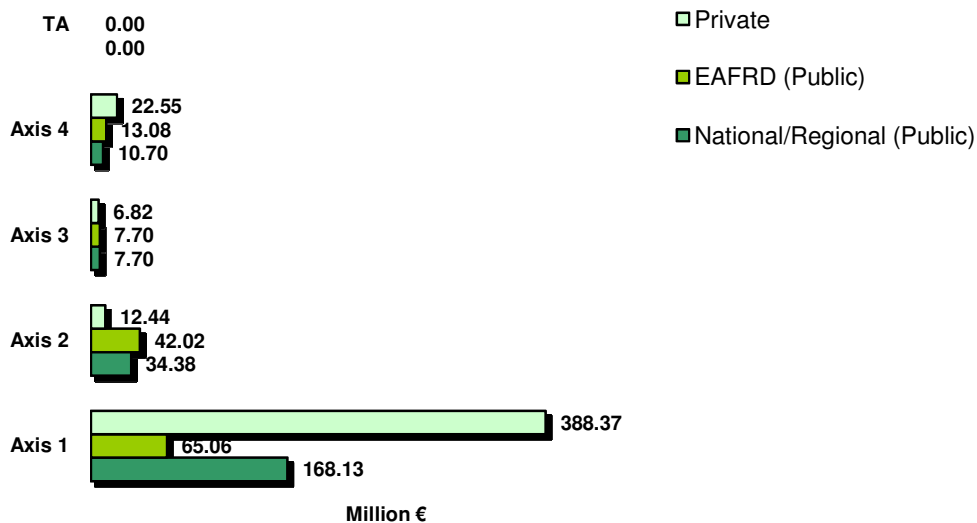
Expected socio-economic outcomes include the maintenance of the gross domestic product (GDP) and the employment rate in the agrarian sector, as well as employment generation and economic activity in non-agrarian sectors. Expected environmental outcomes principally include the maintenance of biodiversity and the quality of water and soil, as well as the maintenance of agriculture and forest land of high natural value (HNV).

Expected impacts include:

- economic growth: additional net value added of €8,627,781,251;
- employment creation: 305 net number of full-time jobs to be generated;
- increases in labour productivity: net value added per full time worker of - €39,345 per worker in agriculture, €23,775.23 per worker in forestry and €61,879.20 per worker in the agri-food industry;
- reduction of biodiversity deterioration: 96.59% of bird species in agrarian land;
- maintenance of agriculture and forest areas of HNV: 117,938.75 ha of useful agricultural surface;
- improvement in the quality of water (balance of nutrients): 20.36 kg of nitrogen per ha and 1.13 kg of phosphorous per ha;
- contribution to the fight against climate change (production of renewable energies): 42.45 ktoe in the agriculture sector and 35.88 ktoe in the forestry sector.

Expected impacts from 2009's RDP amendment relate to improving the efficiency of water use and to promoting agricultural activity in mountainous areas and LFAs. 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 €778,958,135



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 80% of the overall RDP budget in Navarra is allocated to axis 1 (€621,564.6 million); approximately 11% is allocated to axis 2 (€88,838.0 million), 3% to axis 3 (€22,223.2 million) and 6% to axis 4 (€46,332.4 million); and no funding is allocated to 'technical assistance'.

Within axis 1, National/Regional public funding represents an approximate 27% share of the axis funding; EAFRD 10%; and private funds 62%.

Within axis 2, National/Regional public funding represents an approximate 39% share of the axis funding; EAFRD 47%; and private funds 14%.

Within axis 3, National/Regional public funding represents an approximate 35% share of the axis funding; EAFRD 35% and private funds 31%.

Within axis 4, National/Regional public funding represents an approximate 23% share of the axis funding; EAFRD 28%; and private funds 49%.

Within technical assistance, no funding is allocated.

As a consequence of RDP revisions in 2009, the Navarra region has been assigned an additional budget from the HC and the EERP totalling €13,521,105 (including €10,140,829 EAFRD and a further €3,380,276 of Regional/National public funds) focused on water savings. The region has also been assigned an additional €5,361,140 EAFRD from the 'wine reform' and modulation.

Axis Information²

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

The emphasis of this axis is strongly focused on 'adding value to agricultural and forestry products' (measure 123; 39% of total budget for axis 1), followed by the 'modernisation of agricultural holdings' (measure 121; 37%) and 'infrastructure related to the development and adaptation of agriculture and forestry' (measure 125; 20%).

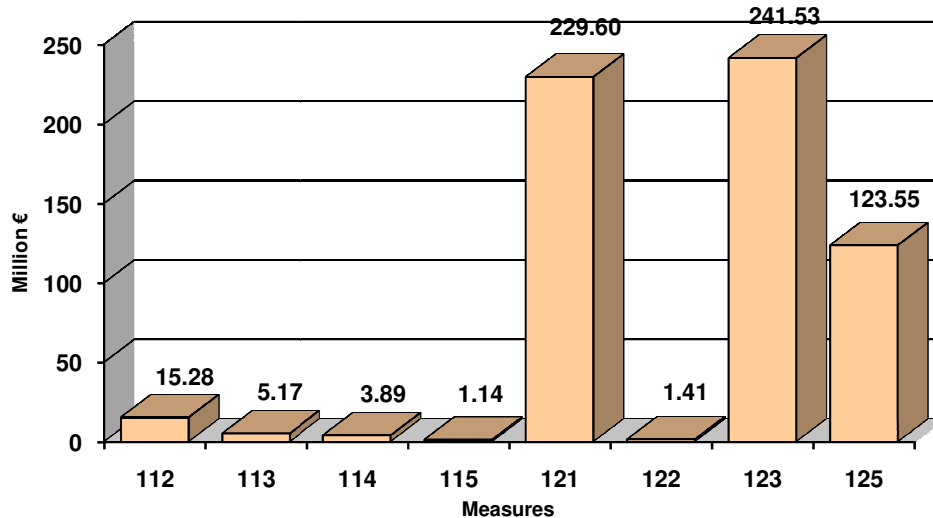
Result targets for axis 1 include, between around €4,500,000 and €600,000,000 increase in gross value added (GVA) of supported agricultural holdings (depending on the measure) and 64-210 agricultural and forest holdings to have introduced new products and/or techniques (depending on the measure).

Specific modifications to output and result indicators have been made in order to take account of the amendments to the RDP. With the enlargement of actions focusing on the promotion of water saving technologies, Navarra foresees putting 9 modernisation projects in place, which will benefit 4,068 ha and guarantee a total water saving of 1,632 Hm³ and 401,25m³/ha.

Strategic objectives	Specific objectives
Promotion of knowledge and improvement of the potential of human capital	<ul style="list-style-type: none"> - Reorganise productive structures – taking over of the farms by younger generations, reducing the number of non competitive holdings - Create, maintain and improve employment posts related to agriculture - Training, qualification and labour safety of farmers - Promote advisory services that allow the establishment and promotion of sustainable productive systems
Restructuring and development of physical potential and promotion of innovation	<ul style="list-style-type: none"> - Promote diversification and the establishment of agrarian holdings that are technologically advanced and efficient, as well as the modernisation of existing ones - Protect the environment, preserve and improve forests, extend forest surface and regulate its exploitation - Implement quality and food safety systems - Establish and modernise agri-food and forest industries to make them technologically advanced and efficient, as well as reconversion and reorganisation of existing ones - Increase the dimension of the agri-food and forest industry and promote the development of larger sizes and cooperation in the context of joint projects of a supra-enterprise character - Develop craft industries that guarantee quality and differentiated products - Modernise irrigation systems and improve the distribution of property - Improve local livestock installations and forest infrastructure

² Detailed information on the individual measures can be found in Annex I.

Axis 1 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €621,564,619



Following the 2009 RDP update, the total budget for axis 1 is €621,564,619 including an additional €13,521,105 (€10,140,829 EAFRD + €3,380,276 Regional/National public funds) targeted at measure 125. The new funds will reinforce the existing operation "modernisation of irrigation systems" (sub-measure 125.1) in order to improve water management.

Axis 2 objectives - Improving the environment and the countryside

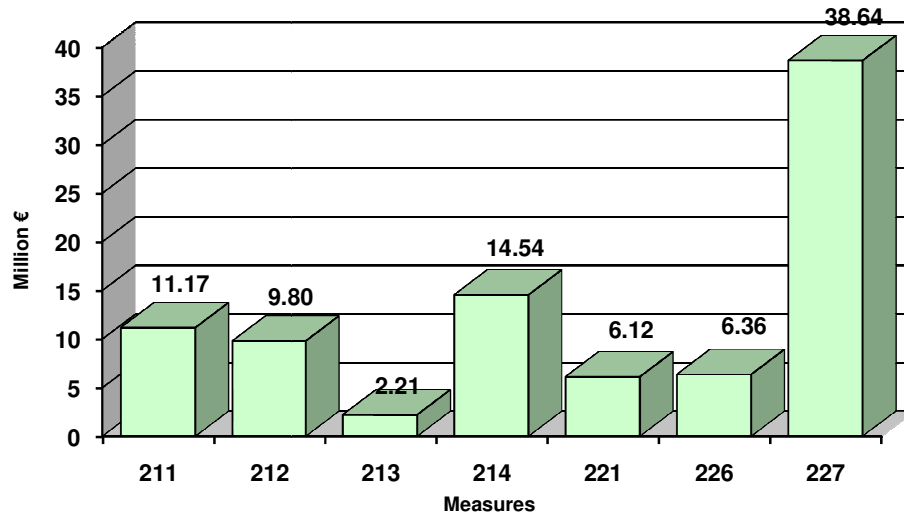
The emphasis of this axis is on 'non-productive investments' in the forestry sector (measure 227; 43% of total budget for axis 2), 'agri-environment payments' (measure 214; 16%), 'natural handicap payments to farmers in mountain areas' (measure 211; 13%), 'payments to farmers in areas with handicaps, other than mountain areas' (measure 212; 11%), 'first afforestation of agricultural land' (measure 221; 7%) and 'restoring forestry potential and introducing prevention actions' (measure 226; 7%).

Result targets for axis 2 cover a surface of approximately 61,000 ha of agricultural land and 2,625 ha of forestry land that contributes to the maintenance of biodiversity, 48,900 ha of agricultural land and 210 ha of forestry land that contributes to the improvement of water quality, 770 ha of forestry land that contributes to the fight against climate change, 23,900 ha of agricultural land and 2,100 ha of forestry land that contributes to the improvement of soil quality, and 187,600 ha of agricultural land and 1,548 ha of forestry land that contributes to avoiding land marginalisation and abandonment.

Specific modifications to output indicators have been made in order to take account of the amendments to the RDP: the number of holdings which receive support will increase from 1,280 to 1,350 for measure 211; from 680 to 750 for measure 212; and the used agricultural surface will increase from 42,000 to 48,000 ha for measure 211; and from 15,000 to 23,000 ha for measure 212.

Strategic objectives	Specific objectives
Sustainable use of agricultural land	<ul style="list-style-type: none"> - Sustain agricultural activity in existing exploitations in disadvantaged areas, ensuring the continuous and sustainable use of land and the maintenance of the rural community - Manage pastures efficiently through spatial planning and monitoring - Preserve the surface and the ecological quality of pastures through spatial planning or limitation of livestock activity, as well as protecting necessary elements for the conservation of pastures in 'Natura 2000' areas - Promote production methods that are compatible with the protection and improvement of the natural environment and the landscape, natural resources, soil and genetic diversity - Apply organic farming methods compatible with the protection and improvement of natural resources, water, soil and landscape - Preserve and maintain autochthonous races of the region that are under danger of extinction - Sustain extensive dry land exploitations in the south of Navarra to reduce the impact of steppe systems on fauna and flora
Sustainable use of forest land	<ul style="list-style-type: none"> - Extend forest resources in agricultural land to contribute to the protection of the environment, the prevention of natural catastrophes and the mitigation of climate change - Maintain biodiversity through the protection and improvement of habitats, especially in the 'Natura 2000' network and other areas of HNV - Reduce the effects of the greenhouse gases coming from the agrarian sector and promote the sector's capacity to mitigate these effects - Preserve soil, avoiding losses from erosion, and improve its content in terms of organic matter and structure - Recover forest potential and introduce preventive actions to protect forests from fires, plagues and other risk factors, thus contributing to the maintenance of biodiversity and reversing climate change - Promote sustainable management of mountains and their multi-functional role by supplying renewable material, ecological diversity, water balance, erosion control and the prevention of natural catastrophes, as well as extending the public use of forest areas.

Axis 2 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €88,837,967



Following the 2009 RDP update, the total budget for axis 2 is €88,837,967 including an additional €5,361,140 EAFRD, targeted at measures 211 and 212.

The allocation to measure 211 is justified by the existing high level of execution of this measure, as compared to initial forecasts. The allocation to measure 212 is accounted for by the existence of a dominant crop, namely vineyards, in these areas: they are the "agrarian counties" IV, V and VI, located mainly in the centre of the region (the North are mountain areas, and the South are very productive and fertile areas on the basins of the Aragón, Arga and Ebro rivers). As a result, the allocation of the transfer to the "non-mountain LFAs" is clearly targeted at the wine-producing region of Navarra.

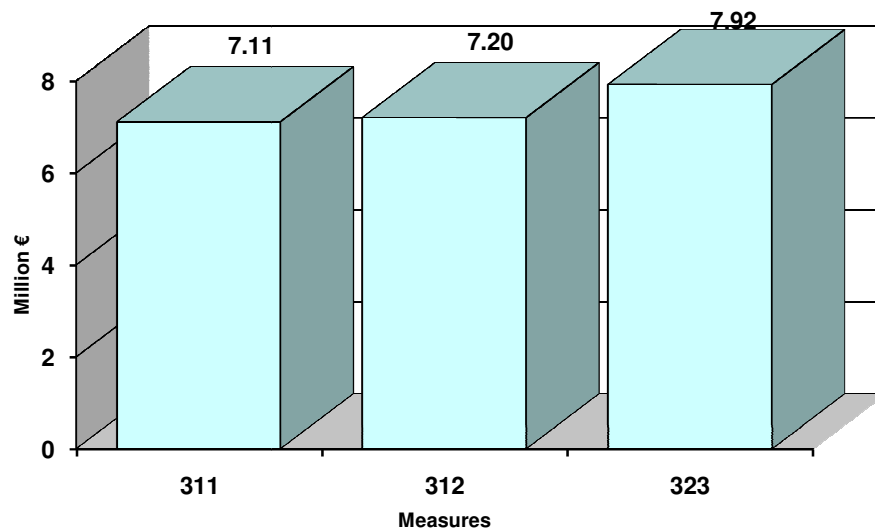
Axis 3 objectives - The quality of life in rural areas and diversification of the rural economy

The emphasis of this axis is on 'conservation and upgrading of the rural heritage' (measure 323; 36% of total budget for axis 3), 'diversification into non-agricultural activities' (measure 311; 32%) and 'support for business creation and development' and encouragement of tourism activities (measure 312; 32%).

Result targets for axis 3 include €1,724,000 and €36,423,000 of non-agrarian GVA in beneficiary farms and enterprises respectively, 50-300 employment posts created, 43,494 people to benefit from improved services, 222,671 additional tourists, 44,585 people to benefit from increased internet penetration, and 25,545 participants to successfully complete training activities.

Strategic objectives	Specific objectives
Diversification of the rural economy	<ul style="list-style-type: none"> - Boost the potential for employment in non agrarian economic activities based on the exploitation of human, cultural, historic, tourism, gastronomic and other territorial resources - Assist small size family agrarian exploitations, micro-enterprises and cooperatives in achieving the production of higher value added, incorporating agri-tourism and multi-functionality - Promote activities of supply of inputs and services to enterprises in the agri-food and forest sectors - Develop non agri-food enterprises that improve the rural economy - Promote tourism activity that favours economic growth in rural areas
Improve the quality of life in rural areas	<ul style="list-style-type: none"> - Elaborate spatial planning projects and plans, technical plans for the management of forests, areas of EU interest and other areas of HNV - Conserve and value natural heritage and integrate environmental considerations in other policies and actions - Improve active participation through the establishment of agreements with local entities and/or private agents - Restore rural heritage, especially in relation to the Santiago route and the network of livestock routes in Navarra - Improve small infrastructure related to cultural and natural heritage

Axis 3 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €22,223,179



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

Axis 4 objectives - Leader

The emphasis of this axis is on 'quality of life and diversification' (measure 413; 72% of the total budget for axis 4), followed by 'environment/land management' (measure 412; 10%), 'competitiveness' (measure 411; 9%), and 'running the local action group, skills acquisition (and) animation' (measure 431; 7%).

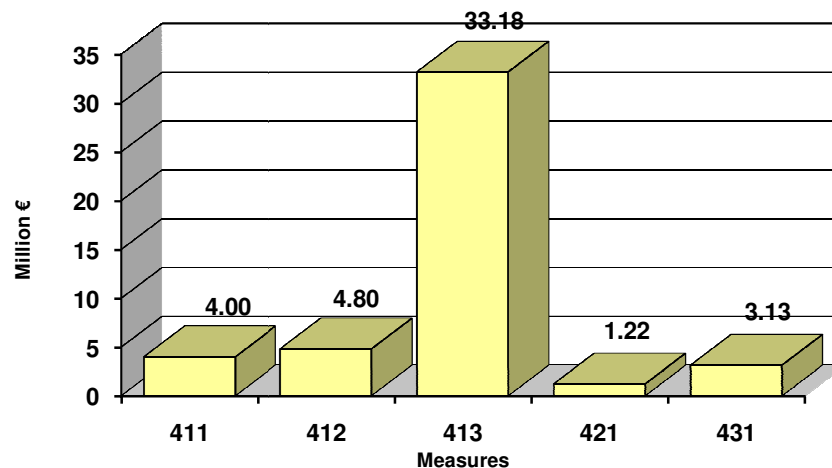
Result targets for axis 4 include employment creation (5-220 jobs depending on the measure), €1,503,000 and €15,861,000 GVA of supported agricultural holdings and enterprises respectively (reaching €275,823,000 for beneficiary enterprises under measure 413, which absorbs the bulk of the budget), from 20 to up to 1,395 training actions (the latter under measure 413), and from 1,442 up to 19,190 participants to successfully complete training activities.

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

Strategic objectives	Specific objectives
Development of local capacity and diversification	<ul style="list-style-type: none"> - Contribute to the objectives of axis 1, 2 and 3 through local development strategies and the participation of economic and social agents - Improve local governance - Mobilise the endogenous potential of rural areas - Promote cooperation between private and public sectors - Promote cooperation and innovation - Promote cooperation and the exchange of practical knowledge between Local Action Groups (LAGs) and the application of good practices in the territory - Promote good functioning of LAGs, acquisition of capacities and promotion.

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

Axis 4 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €46,332,370



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

Monitoring and evaluation strategy

The RDP's monitoring takes place through two independent but complementary instruments: annual interim reports and on-going 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 to 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, as well as increase the effectiveness and efficiency of programme implementation. The evaluations use the output, result and impact indicators defined by the Common Monitoring and Evaluation Framework (CMEF).

Communication and publicity

The communication plan comprises three components and target groups:

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

Information will be distributed to target groups via electronic means (e.g. the Managing Authority website www.cfnavarra.es/agricultura/desarrollo/presenta.htm, the websites of relevant stakeholders), the publication of leaflets, bulletins and studies, publicity announcements in the press and radio, publications in the official bulletin of Navarra, periodical meetings and information sessions with relevant stakeholders (local/regional authorities, professional organisations, social partners, NGOs, etc.), as well as 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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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
	341		Skills-acquisition and animation measure with a view to preparing and implementing a local development strategy
Axis 4 - Leader	<i>Implementing local development strategies</i>	411	Competitiveness
		412	Environment/land management
		413	Quality of life/diversification
	421	Implementing cooperation projects	
	431	Running the local action group, skills acquisition, animation	