

Rural Development Programme (RDP) of Castilla- La Mancha, Spain

Programa de Desarrollo Rural de Castilla-La Mancha 2007-2013 – March 2010¹

(Rural Development Programme of Castilla
la Mancha 2007-2013)

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Map of Castilla la Mancha

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Other useful links:

Rural Development Programme (RDP):

<http://www.mapa.es/es/desarrollo/pags/programacion/programas/programas.htm>

National Strategic 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 Castilla-La Mancha region

Castilla-La Mancha is located on the southern part of the Spanish plateau, south of the central mountain range of the Iberian peninsula ("Cordillera Central"). Its central location gives the region a strategic importance for north-south and east-west links in Spain. It is an extensive region with a total surface of 79,462 km² representing 15.7% of the Spanish territory (the third most extensive Spanish region after Andalucía and Castilla y León). Castilla-La Mancha is a convergence region with a population of 1,932,261 inhabitants and a GDP per capita 79.87% of the Spanish average (2006). Rural areas in Castilla-La Mancha occupy 98.06% of the regional territory.

Main socio economic strengths include a declining unemployment rate (although still as high as 9%), an important agriculture sector (employs 7.26% of the active population and contributes 8.1% to Gross Value Added (GVA)), with agriculture characterised by high density of arable land which extends throughout the territory, growth of greenhouse and irrigation

¹ Latest updated RDP, following the adoption of the Health Check and European Recovery Package and additional funds from modulation (i.e. adjustments between Pillar 1 (Agriculture) & 2 (Rural Development) of the Common Agricultural Policy (CAP).

crops and specialization in the production of vines and cereals (they cover 71.6% of the arable land and 64% of the total production in tonnes). Other strengths include the existence of high value added products, an agri-food sector which is the most important within the manufacturing sector, a significant social economy (mainly cooperatives), rich heritage (natural, architectural, ethnological), growing tourism development and substantial efforts in social and education services in order to promote social cohesion.

The main weaknesses of the region are its ageing population, low skills and low population density. Other socio-economic weaknesses include lower productivity and size of firms in relation to the rest of Spain, labour market inclusion problems in rural areas especially for women and young people, restrictions in the development of the agriculture sector stemming from scarcity of water and energy inputs, weak links of agricultural holdings with the commercialisation phase, important development gap between urban and rural areas.

In terms of the environment, the region is rich in landscapes and biodiversity (Natura 2000 areas cover 23.07% of the territory and include 108 protected areas) and engages in progressive development of renewable energies. However, 89.1% of the territory is classified as less favoured areas (23.5% of which in mountain areas) and 11% of the region faces very serious soil erosion and high desertification risks, due to excessive use of agro-chemicals in certain areas and over-exploitation of water resources. Other environmental weaknesses stem from forest fires and small importance of organic and integrated production.

Following the CAP Health Check (HC) and the European Economic Recovery Package (EERP), in recognition of the greater emphasis now being given to "new challenges" facing agriculture and rural areas, the revised RDP further highlights the environmental challenges facing the sector. In particular, the revised RDP stresses the need to mitigate against the impact of climate change (through sustainable development of forestry activity), promote renewable energies (in particular from biomass), improve water resource management (especially important in semi-arid areas that characterise the region), protect and maintain biodiversity (currently under threat) and support the restructuring of the milk sector (through sustainable livestock production and management). In addition, revisions to the RDP stemming from the wine Common Market Organisation (CMO) reform and Modulation adjustments also address the challenges of biodiversity, soil and water management.

RDP strategic objectives

The strategic objectives were chosen in accordance with the Community Strategic Guidelines (CSG), the National Strategy Plan and the Spanish National Framework and respond to the identified strengths and weaknesses of the region:

- 1) Increase competitiveness in the agri-forest sector: modernisation and dynamism of the sector through quality products and increased value added. This is consistent with the EU objective to increase the range of high quality and value added products and with the national objectives to modernise the food chain and innovate the physical and human capital.
- 2) Improve the rural and natural environment through improvements in water management, fight against climate change, organic production and the protection of biodiversity. This responds to the environmental weaknesses facing the region and is consistent with the EU and national objectives in relation to biodiversity, development of agri-forestry systems of high natural value, water and climate change.
- 3) Improve quality of life and diversification of the rural economy through the support for endogenous local development, the creation of employment, the inclusion of women,

young people and immigrants in agriculture and the reversal of the demographic ageing trend. This is consistent with the EU and national objectives of growth and creation of employment opportunities.

- 4) Introduce the Leader approach by consolidating the participatory model for rural development and the mobilisation of local actors for a development system where “rurality” prevails. This is consistent with the EU and national objectives of improved governance and mobilisation of the endogenous potential of rural areas.

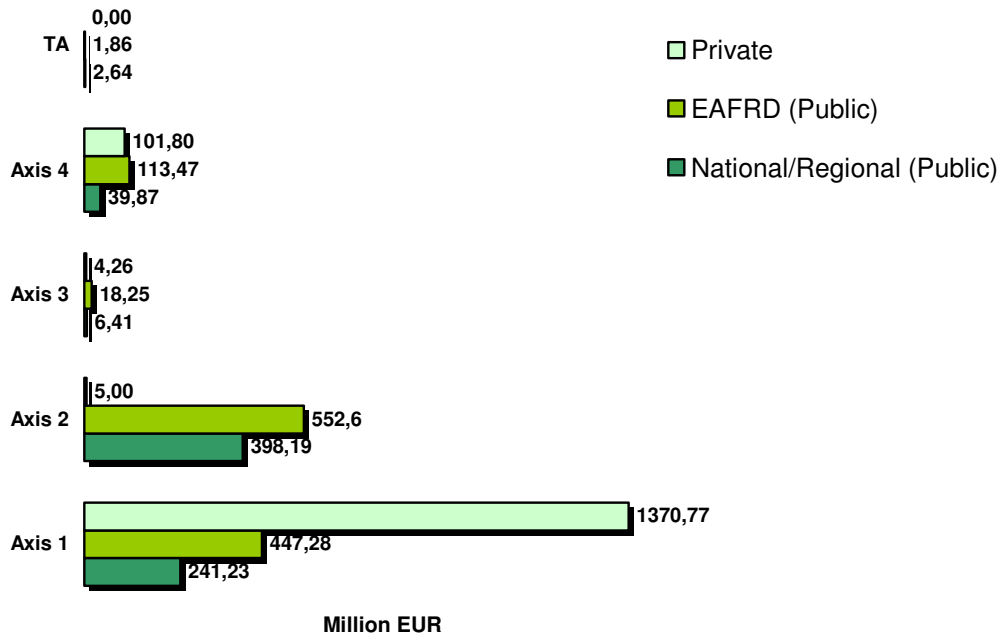
Taking into account the additional financing from the HC and the EERP, greater strategic priority will now be given to initiatives that contribute to biodiversity (68%), water management (14%), renewable energies (13%), restructuring of the dairy sector (4%) and climate change mitigation (1%). In relation to the additional funds stemming from the wine reform and Modulation, they will address the strategic priorities of biodiversity (55%) and soil management (45%). The revised RDP strategy is coherent with the National Strategic Plan which sets renewable energies, water management and biodiversity as national goals. It is also consistent with the Spanish National Framework which has included a new “horizontal” measure to cover the challenge of biodiversity and recommends that the proceedings from the wine reform should be preferably allocated to wine regions or to producers in this sector.

Expected impact / outcomes of the policies

Expected socio economic outcomes include reduced de-population of rural areas, improved qualifications of people engaged in agricultural activity, better quality agricultural products, sustainable management and improved performance of agricultural holdings through modernisation and innovation at all levels (human, natural and physical capital), improved management of natural resources such as soil and water, increased diversification of agricultural activity and new development opportunities, improved rural and tourism infrastructure and services, new entrepreneurial initiatives and reactivation of the rural economy, conservation and improvement of heritage and endogenous resources and an overall improvement in the quality of life of rural populations. Related socio-economic impacts include increased economic growth and employment (5,63% increase in GVA and 7,47% increase in employment over the programme implementation period). Expected environmental outcomes include: the effective conservation of spaces with high natural value; maintenance of protected flora and fauna species, habitats and geomorphologic elements of special protection; improvements in the quality of soil and water, contribution to the fight against climate change; improvement of environmental conditions for the rural population and maintenance of the population in rural areas.

As a result of the modifications to the RDP, it is expected that with the new measures introduced as well as with the new operations addressing the new challenges included within existing measures, the programme will have a favourable effect on the prevention against adverse weather conditions resulting from climate change, a greater protection of biodiversity, a more rational management of water with regards to both quantity and quality, an increase in the substitution of fossil fuels by cleaner energies, a restructuring of the dairy sector which does not lead to significant losses to the livestock farmers and will generally achieve environmental benefits. In the amended RDP impact indicators at the level of the programme have been revised and are provided in the RDP impact indicator table (table number 76).

RDP budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding) of €3,303,627,720



The RDP budget allocations are broadly divided into four main areas of expenditure, known as Axes (namely competitiveness, agri-environment, rural quality of life and local rural development actions). Approximately 62% of the overall RDP budget in Castilla-La Mancha is allocated to axis 1 (€2,059,278,985 million). Approximately 29% is allocated to axis 2 (€955,790,720 million), 1% to axis 3 (€28,923,987 million) and 8% to axis 4 (€255,134,025 million), with 0.1% available to fund Technical Assistance (€4,500,000 million).

Within axis 1, National/Regional public funding represents approximately 12% share of the axis funding; EAFRD 22%; and private funds 67%.

Within axis 2, National/Regional public funding represents approximately 42% share of the axis funding; EAFRD 58%; and private funds 1%.

Within axis 3, National/Regional public funding represents approximately 22% share of the axis funding; EAFRD 63% and private funds 15%.

Within axis 4, National/Regional public funding represents approximately 16% share of the axis funding; EAFRD 44%; and private funds 40%.

Within technical assistance, National/Regional public funding represents approximately 59% share of the technical assistance funding and EAFRD 41%.

As a consequence of the RDP amendments, the Castilla-La Mancha region has been assigned a total additional €324,638,607 (including € 208,991,544 EAFRD and a further € 115,647,063) to support “new challenges” (biodiversity, water management, renewable energies, restructuring of the dairy sector, climate change). These funds are intended to reinforce existing actions in Castilla-La Mancha, introduce new operations under existing measures or sub-measures as well as introduce new sub-measures. Other modifications to the programme are of technical nature and intend to improve the implementation and monitoring of the programme as well as facilitate the uptake of measures by the beneficiaries and to update legal references.

Axis Information²

Axis 1 objectives - Competitiveness

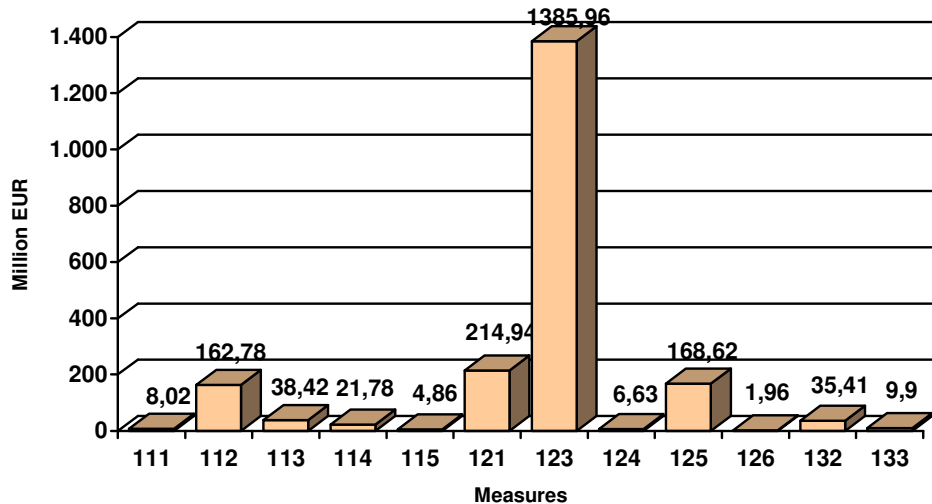
There is strong emphasis of this axis on adding value to agricultural and forestry products (measure 123, represents 67% of total public expenditure for axis 1). This is followed by modernisation of agricultural holdings (measure 121, 10%), infrastructure development and adaptation of agriculture (measure 125, 8%) and setting up of young farmers (measure 112, 8%). Water management in particular (under measure 125) will be focused on water savings, keeping this policy coherent with the compliance of the Water Framework Directive.

Specific modifications to result indicators have been made to take account of the amendments to the RDP and are depicted in green in the table above, while the additional funding implies changes to output indicators depicted under each measure.

Strategic objectives	Specific objectives
Improve the competitiveness of the agri-forestry sector	<ul style="list-style-type: none"> - Reinforce the generational transfer in the agrarian sector; - Stimulate the entrepreneurial spirit and the modernisation of agricultural holdings; - Set up and support management, assistance and advisory services; - Promote the production of differentiated quality; - Provide incentives for Research and Development and for technology transfer; - Promote the commercialisation of agri-food and forestry production; - Improve the sustainable management of water resources and the soil.

² The information about measures can be found in Annex I.

Axis 1 budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €2,059,278,985



Following the RDP latest update, the total budget amount for axis 1 is €2,059,278,985 including an additional €25,500,000 (€22,950,000 EAFRD + €2,550,000 national/regional public) stemming from the HC and the EERP. This modification is targeted at climate change, renewable energies, water resource management, biodiversity and the restructuring of the dairy sector, more specifically:

- The region addresses the priority of climate change adaptation and mitigation by promoting access of advisory services to forest owners by the creation of a specific sub-measure (114.2).
- Renewable energies (and as a consequence climate change as well) are promoted through the creation of a new sub-measure (121.4 "Production of energy crops for the cultivation of short rotation forest species"), the support of processing of agriculture and forestry biomass for the production of renewable energy (measures 121.1 and 123) and finally through support for the installations and infrastructures for the production of renewable energy using biomass and other sources (measures 125.1 and 125.3).
- Water resource management is improved through modernisation of irrigation and support for water saving technologies, management of wastewater and the responsible use of natural resources. Although the existing operations already addressed this priority, with the introduction of new operations (measures 121.1 and 121.3, 125.1 and 125.3, 115.2, 123) as well as a number of technical changes in the relevant measures, the region ensures that this priority is given the importance it deserves.
- As regards the protection of biodiversity the region applies this priority through the creation of a specific sub-measure (111.2 "Information and knowledge dissemination about forest wild fauna and flora for their sustainable use") aimed mainly to improve the professional capabilities of those dedicated to forestry work. The use of work practices which respect the biodiversity and also takes into consideration the conservation and improvement of the habitats and landscape is fundamental, as is increased awareness on these issues.
- The restructuring of the dairy sector is supported through both existing operations (measure 121.1) as well as through new operations (measure 123) supporting improvements of processing and marketing. However this sector is not one of the main

sectors of the agro-food industry.

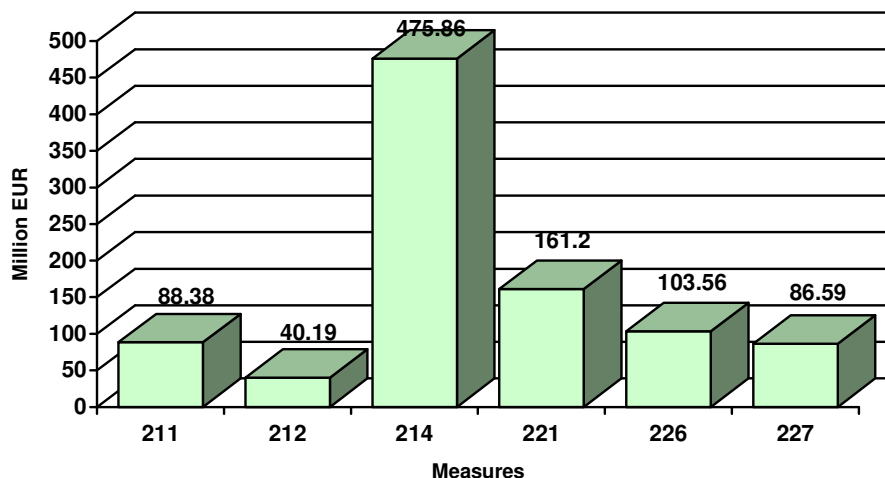
Axis 2 objectives - Sustainability and natural environment

The emphasis of this axis is on agri-environment payments (measure 214, 50% of total public expenditure for axis 2), first forestation of agricultural land (17%, measure 221), on restoring forestry potential and introducing prevention action (measure 226, 11%) payments to farmers in mountain areas (9%, measure 211) and non-productive investments (9%, measure 227).

There are no changes to result indicators as a result of the RDP revision. The additional funding implies changes to output indicators which are depicted under each measure.

Strategic objectives	Specific objectives
Improve the natural and rural environment	<ul style="list-style-type: none"> - Introduce landscape and traditional natural heritage in the economic sphere as resources that should be cultivated in order to obtain diverse benefits; - Promote agri-environmental awareness; - Offer incentives for organic farming; - Encourage practices that promote the identity of rural areas with their natural environment: a "protection-production" link that introduces value added to environmental services and promotes rural tourism; - Consolidate the link between the Natura network and rural areas through support to most disadvantaged areas and areas with most natural difficulties; - Promote sustainability through the fight against climate change, desertification and forest fires.

Axis 2 budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €955,790,720



Following the RDP revision the total budget allocation under axis 2 is €955,790,720 including an additional €52,669,860 (€47,402,874 EAFRD + €5,266,986 national/regional public) form

the HC and the EERP and an additional €246,468,747 (€138,638,670 EAFRD + €107,830,077 national/regional/public) from the wine reform and Modulation. There is also an increase in the EAFRD co-financing rate from 46% to 56.25%. The bulk of these funds are allocated to measure 214 (agri-environment payments) and the rest is repartitioned amongst the other axis 2 measures. The additional funding addresses in particular biodiversity and soil and water management through a new sub-measure (214.12 "Environmental integration of vine growing in dryland") to promote the maintenance of vineyards in dryland given their important environmental role in avoiding desertification, favouring biodiversity and contributing to the landscape, another new sub-measure (214.13) providing support for extensification and promoting grazing in sheep/goat holdings and further support to the existing measure on organic farming (214.4) to respond to the higher than expected number of requests for support under this measure as well as the important environmental role presented by this measure in the region.

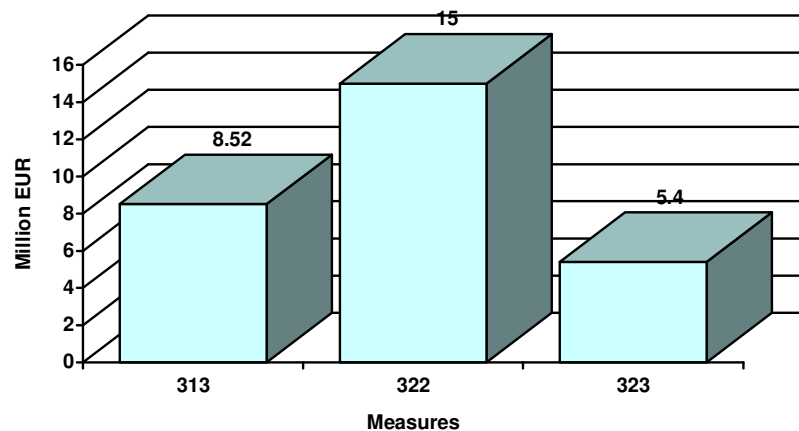
Axis 3 objectives - Diversification of the quality of life in rural areas

In financial terms, this axis represents a mere 1% of the programme budget, since the bulk of its measures are financed by axis 4 (Leader). The main emphasis of axis 3 measures is on village renewal and development (measure 322, 52% of total axis 3 budget), the encouragement of tourism activities (30%, measure 313) and conservation and upgrading of rural heritage (19%, measure 323).

Specific modifications to result indicators have been made to take account of the amendments to the RDP and are depicted in green in the table above, while the additional funding implies changes to output indicators depicted under each measure.

Strategic objectives	Specific objectives
Improve quality of life and promote diversification in rural areas	<ul style="list-style-type: none"> - Increase employment in rural areas; - Adopt a proactive policy towards women; - Support incubators and the development of microenterprises.

Axis 3 budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €28,923,987



Following the RDP revision the total budget allocation under axis 3 is €28,923,987. The main modifications to axis 3 concern the creation of two new sub-measures outside the Leader approach, one within measure 313 "Encouragement of Tourism activities" and another under measure 321 "Basic services for the economy and rural population" which will be managed directly by the Regional Administration. Therefore both measures are split into 2 sub-measures, namely 313.1, 321.1 to be managed through the Leader approach and 313.2, 321.2 to be managed through the regional administration. This change is motivated by recent business initiatives which have arisen in the region related to services to the population (basically to dependent persons) and in the field of tourism which have an impact on employment creation. Thus it was deemed necessary to finance them under axis 3 through the regional administration ensuring a speedier implementation. Furthermore, one sub-measure (322.2) under measure 322 "Village renewal and development" has been deleted. Additional funding therefore includes €8,523,984 (of which €3,153,874 EAFRD) allocated to the new sub-measure 313.2 and €15,000,000 (of which €11,100,000 EAFRD) allocated to the new sub-measure 321.2. Additional funds for axis 3 stem from the transfer of funds from axis 1 and from deleted axis 3 sub-measures.

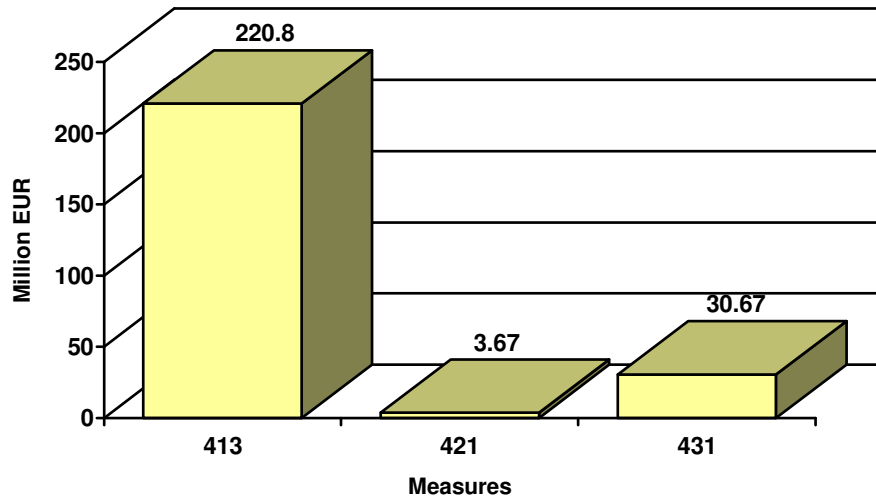
Axis 4 objectives - Development of the local capacity and diversification

Axis 4 (Leader) is devoted to quality of life and diversification (measure 413, with 86.5% of total axis 4 budget), followed by conservation and upgrading of rural heritage (12%, measure 431). Axis 4 finances wholly or partly axis 3 measures, with emphasis on the support for business creation and tourism activities.

There are no changes to axis 4 result indicators as a result of the RDP revision.

Strategic objectives	Specific objectives
Implement the Leader methodology	<ul style="list-style-type: none"> - Promote cooperation and integration in networks; - Improve governance on a wider scale (at all levels and types of organisations and increased participation of women and young people in the management of local action groups); - Develop strategies that are adequate for the territory through models and actions that are differentiated according to local social, cultural, historic or heritage conditions; - Introduce quality and innovation as programming priorities of local strategies.

Axis 4 budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €255,134,025



There are no financial changes to axis 4 as a result of the RDP revision. Only minor technical modifications have taken place in order to improve programme management and implementation.

Monitoring and evaluation strategy

The monitoring system is based principally on a limited number of common output and result indicators, whose evolution will be presented in annual interim reports, together with the evolution of the financial monitoring of the programme. The elaboration of the annual monitoring reports on programme implementation will be the responsibility of the Managing Authority, which will present them to the Commission following approval by the Monitoring Committee. The Commission and the Managing Authority will examine the main results of the year covered by each monitoring report.

The programme will be subject to a continuous evaluation system, comprising three key components: a) continuous evaluation activities culminating in annual evaluation reports (which in 2010 and 2015 will take the form of interim and ex-post respectively); b) thematic evaluation activities in the following fields: continuous evaluation of the application of the Leader approach, evaluation of the integration of the horizontal principle on environment in 2010, evaluation of the implementation and monitoring of agri-environment measures, evaluation of the programme following any modifications to it or any other specific additional evaluation if considered pertinent/necessary by the Monitoring Committee; c) an evaluation network and support service (help-desk) to the region on the application of the Common Monitoring and Evaluation Framework (CMEF). The evaluations will use the output, results and impact indicators defined by the CMEF. Additional impact indicators are related to economic growth (agrarian income, sectoral GVA), productivity (per capita income and GVA), maintenance of biodiversity (number of flora species under risk of extinction), maintenance of agri-forest spaces of high natural value (% of Natura 2000 surface with sustainable agrarian activity), water quality improvements (% of surface affected by the Nitrates Directive), contribution to the fight against climate change (electricity consumption by sector).

Communication and publicity

The main components of the communication and publicity strategy are: a) communication actions addressed to potential beneficiaries, professional organisations, economic, social and environmental actors, organisations that promote gender equality and NGOs of the opportunities offered by the programme and the norms for obtaining financial support; b) actions for informing actual beneficiaries of the EU contribution; c) measures for informing the general public of the role of the EU in the programmes and results obtained. The communication plan will be implemented in two phases: presentation of the programme; dissemination of implementation and results obtained. A variety of communication tools will be used to support the publicity and dissemination of the programme, including the regional government web page (<http://www.jccm.es/agricul/prog.htm>), awareness raising events to institutions, presentation of the programme through the media, publications (leaflets, flyers, catalogues, articles, information notes, CD-ROM, video and other promotional material), events (seminars, information workshops, technical courses, etc.), information to managing organisations, periodic working meetings with relevant organisations, set up of an IT system for monitoring and evaluation, publicity signs/boards in relevant organisations.

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
	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