

European Network for Rural Development Contact Point



Mountain Areas / Mountain farming NSP and RDP Screening Results

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Executive Summary

This paper provides a summary of the results of an analytical review of EU Member States support for mountain areas under EAFRD (2007-2013). The analysis was conducted by the ENRD Contact Point. The main purpose of the review was to provide an overview of the different RD support measures available in mountain rural areas and to assess how these measures have been applied by different Member States (MS). The paper provides a narrative summary of the results, supported by qualitative and quantitative summaries, presented in the technical annexes.

Results suggest that the availability and use of EU rural development measures in support of mountainous areas (both direct and indirect) is widespread in many Member States. EAGGF Guarantee section monitoring data for EU-25 for the years 2002-2006 confirm this, with just under 30% of total EAGGF Guarantee expenditure (approx €1.3 bn p.a.) allocated to mountain LFA areas. The range of support offered and its application in specific mountain regions also varies greatly across the EU, both in terms of the types of measures used and the eligibility criteria applied to them. These findings suggests that the current menu of EAFRD Rural Development measures (and sub-measures) available to respond to the needs of mountain areas appears to provide a sufficiently broad and flexible range of support options. It also underlines the critical role that member states and regional administrations have in developing well targeted RDPs, ensuring the optimal balance in the selection, use and application (or otherwise) of relevant policies and measures to meet the needs of specific mountain areas. It is these programming choices and their implementation that are most likely to determine the effectiveness and overall impact of rural development measures in mountain areas.

Screening at country level reveals that most National Strategic Plans, in regions where there are extensive mountain areas, acknowledge many of the challenges facing mountain areas. But many of these identified problems and constraints appear to be inconsistently addressed through the selection and/or funding of Rural Development Programmes and/or individual measures for some regions. The presence or absence of detailed and/or specific analysis of mountain areas and their challenges is often reflected in the range and sophistication of the measures included (or excluded) within individual RDPs.

All RDPs include support measures for Less Favoured Areas (Measures 211 & 212). The criteria applied for eligibility and the calculation of the level of payment vary enormously throughout the EU. There appears to be no direct correlation between the amount of support provided and the % of mountainous areas that could benefit from such support

within a country. However, results also indicate that the eligibility criteria used (in addition to the degree of slope and altitude) for measure 211 appears to become more sophisticated where there is a higher proportion of mountain areas within a region, reflecting what appears to be an underlying objective to improve targeting of the measure, increasingly directing support towards those areas where the need is greatest.

Other measures which are designed to provide direct support to mountain areas and which are commonly used within RDPs include:

- Measure 214 (Agri-Environment payments) used in 35 RDPs;*
- Measure 121 (Modernisation of agricultural holdings), used in 27 RDPs;*
- Measure 112 (setting up of young farmers), used in 21 RDPs;*
- Measure 311 (Diversification into non-agricultural activities), used in 19 RDPs;*
- Measure 122 (Improvement of the economic value of forest), used in 17 RDPs;*
- Measure 125 (Improving and developing infrastructure, related to the development and adaptation of agriculture and forestry), used in 16 RDPs;*
- Measure 221 (First afforestation of agricultural land), used in 15 RDPs;*

The popularity of these measures appears to indicate a general strategic trend in support of mountain farm/mountain rural diversification and the development of the forestry sector (though there are some notable exceptions to this trend e.g. Spain, which appears to favour farm and forest modernisation over diversification).

In addition, a range of indirect support measures are commonly used to complement programmes targeted at mountain areas including:

- Measure 214 (Agri-Environment payments) identified in 40 RDPs;*
- Measure 226 (Restoring forestry potential and introducing prevention actions) identified in 26 RDPs;*
- Measure 227 (Support to non-productive investments in forestry areas) identified in 22 RDPs.*

Overall, the support available through most RDPs (when taking into account both direct and indirect support) appears to be quite extensive. However, its overall impact and effectiveness in mountain areas remains unclear, as does the complementarity and interactions (or otherwise) of RDP support with other regional economic, social and/or environmental support programmes.

This screening research therefore provides some useful insights into the implementation of EU RD policy support programmes and the opportunities they provide. The quality

and depth of the analysis would be greatly enhanced through the undertaking of: (a) More detailed analysis and comparison of actual expenditure by RDP measure for specific regions; complemented by (b) Development of a number of targeted case studies in mountain areas to directly assess the effectiveness or otherwise of certain measures on specific issues challenging mountain areas, to understand the impact upon rural stakeholders and enterprises, the environment, infrastructure, and the social, economic and territorial cohesion created both within and adjacent to these mountain areas.

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Acronyms and Abbreviations

AE	Agri-environment
CP	Contact Point (of the EN RD)
DG AGRI	Directorate General for Agriculture and Rural Development
DG REGIO	Directorate General for Regional Policy
EC	European Commission
EAFRD	European Agricultural Fund for Rural Development
EN RD	European Network for Rural development
EU	European Union
Ha	Hectare
LFA	Less Favoured Area
MA	Managing Authority
MS	Member State
NRN	National Rural Network
NSP	National Strategic Plan
RD	Rural Development
RDP	Rural Development Programme
UAA	Utilised Agricultural Area

1 Introduction and overview of the screening approach and methodology

This paper provides a summary of the results of the screening exercise conducted by the ENRD Contact Point and also provides some tentative conclusions and recommendations, based upon the findings from this analysis. The main purpose of the screening exercise was to provide more detailed information on the situation of mountain areas in various Member States and to provide an overview of the different possibilities, under the EAFRD, available to mountain areas and an assessment of how they have been used by different Member States (MS).

The selection of the countries and regions to be included in the screening exercise was made in accordance with Article 18 of EC Regulation 1257/99 which defines mountain areas as *'characterised by a considerable limitation of the possibilities for using the land and an appreciable increase in the cost of working it due: to the existence, because of altitude, of very difficult climatic conditions, the effect of which is substantially to shorten the growing season; or at a lower altitude, to the presence over the greater part of the area in question of slopes too steep for the use of machinery or requiring the use of very expensive special equipment, or; to a combination of these two factors, where the handicap resulting from each taken separately is less acute but the combination of the two gives rise to an equivalent handicap. In addition, areas north of the 62nd Parallel and certain adjacent areas shall be treated in the same way as mountain areas'*.

In consequence, the screening exercise undertaken by the ENRD Contact Point (CP) was agreed to cover 17 National Strategic Plans (NSP's) and 62 Rural Development Programmes (RDP's). The CP identified a team of regional technical experts to undertake the analysis for specific countries. Selection of experts was based primarily upon their knowledge of rural development programmes, knowledge and experience of the specific country, language and regions to be screened. A screening template was prepared in MS Excel by the CP to be used by all experts to collect relevant information in a consistent manner. The template was also designed to allow some flexibility in the recording and elaboration of relevant information to be provided by the expert, where regional differences may be identified (e.g. for very specific eligibility criteria for certain measures or unique features of a region). The screening template was piloted and results from the piloting used to refine the template. The template was then provided to all experts to be used to review the relevant NSPs and RDP's.

Results from all initial screening templates prepared by the experts were then collected, collated and analysed by the Contact Point Permanent Team. Preliminary (partial) results were analysed and an initial report developed and presented to DG Agri. In parallel, monitoring data on the 2000-2006 funding period relevant to mountain areas was also analysed and these results were also presented, as a separate technical annex.

Following up on the initial screening results, it was recognised that there were certain gaps and inconsistencies in the original data set. To address these discrepancies, a quality and consistency template was then prepared and distributed to all experts for completion. This data cross-checking

process then allowed certain gaps to be filled and other information to be refined, thereby improving the overall quality of the analysis results and subsequent analysis.

This report is based upon an analysis of these final results. The paper provides a narrative summary of the findings, supported by a more detailed quantitative and qualitative summary, presented in the five technical annexes. In addition, the monitoring data was further updated with additional information provided by DG Agri and detailed case study analysis was also undertaken specifically for Italy (which included 21 RDPs) and Spain (which included 17 RDPs). Separate reports on the results of these country level analyses were subsequently prepared and are presented both in summary and in full, as separate annexes to this report. The full package of the completed screening fiches covering the 17 NSP's and 62 RDP's which underpin the main analysis can be provided separately, if required.

2 Summary of main findings from the screening of NSP's and RDP's

2.1 *The National Strategy Plans (NSP's)*

Seventeen NSPs were reviewed comprising the sixteen Member States with delimited mountain LFAs plus the UK.

Overall consistency / strength of links between the NSPs and RDPs: The screening results reveal a high correlation between the NSP and RDP's in four Member States (i.e. clear identification of the problems/constraints addressed and link with relevant RD measures); A medium level of correlation in seven Member States (i.e. identification of some problems/constraints which are addressed /linked with selection of some relevant RD measures) and a low level of correlation in six Member States (i.e. identification of some problems/constraints but weaker link with selection of RD measures). Six NSPs limit their analysis to the identification of the main problems in mountain areas; A further six NSPs elaborate on certain problems and identify some potential opportunities in mountain areas; And only in two NSPs is there a clear recognition of many of the problems/challenges, the potential opportunities and the linked policy responses/ interventions.

Explicit references to mountain areas: 14 of the 16 NSP's contain explicit references to mountain areas and/or farms and their challenges, mainly related to the economic, social, infrastructure and environmental challenges in mountainous rural areas. Common issues highlighted in most NSP's include the general demographic decline in mountain areas; remoteness and accessibility problems; degradation of land and landscapes (erosion and deforestation); Lack of farm competitiveness and scale issues; and the overall trends and diversity of mountain areas.

Indirect references to mountain areas: Indirect references to issues affecting mountain areas and how these may be addressed are included in all 16 NSPs. These issues tend to focus upon: Strategic priorities and /or actions to assist disadvantaged/handicapped areas; actions to counter the depopulation of remote or peripheral (mountain) areas; improving the economic, social and economic opportunities in (mountain) areas; protecting the biodiversity; enhancing the rural heritage; and promotion of more

integrated rural and territorial development. The main body of the results from the NSP screenings are summarized in Annex 1.

2.2 The Rural Development Plans (RDP's)

The following main results have been found through the screening exercise on 62 RDP's:

2.2.1. Summary of main LFA measure (211)

Of the 60 RDPs screened (in 17 MS), 49 apply measure 211 while 11 apply a combination of measure 211 and 212. *(Note: FI-Åland and UK-Scotland, both applying measure 212 only, were not included in the analysis).*

When applying measure 211 (or measures 211 and 212 jointly), RDPs have set out a variety of eligibility criteria that the potential beneficiary has to meet in order to be entitled to support through the measure. The analysis has identified four types of criteria most commonly used by RDPs to define eligibility, namely: Altitude; Slope, Combination of altitude & slope; and Agricultural holding size¹ (usually expressed in UAA hectares). A number of RDPs have also introduced additional criteria, varying from Livestock Units (LU)/hectare density limits to the location and use of the land (type of cultivations).

Holding size criteria has been applied in 92% of RDPs (55). The general trend followed by the RDPs is to combine holding size criteria with altitude/ slope criteria, with varying degrees of complexity. The sophistication of the criteria tends to be directly linked to country and regional objectives and funding allocations, which guide targeting of support to either broader or more focused groups of potential beneficiaries in mountain areas. Generally, the greater the complexity, the more targeting that can be achieved, with the underlying aim of channeling support to the beneficiaries most in need in disadvantaged/handicapped areas.

The same approach appears to hold true for defining payment levels, which also vary considerably between RDPs, subject to certain specific criteria. The analysis indicates that most RDPs use one or more of four main criteria to define payments, namely: (i) Livestock unit (LU) density per hectare (i.e. following an environmental safeguard approach); (ii) The type of farming and/or the type of cultivation; (iii) The size of the holding in terms of Ha of UAA; (iv) The location of the holding. The area size criteria appears to be the most frequently applied (used in 44 RDPs), often implemented together with criteria related to the type of farming/cultivation (35 RDPs). The majority of RDPs apply a system based on multiple criteria. In some cases these criteria are weighted using a scoring system, to define different levels of support.

Between the RDPs which apply a single criteria system based on the size of the holding (UAA), the range of the per ha payment granted to holdings varies enormously. Given that the minimum eligible holding

¹ After revision of the fiches, it is clear that in the majority of the case, it seems to be no difference in the way in which 'agricultural holding size' and 'UAA' criteria have been considered. The distinction between the two criteria is often ambiguous and there is no sufficient evidence about what the difference consists in (no further explanation provided in the fiches). In addition, a lot of fiches considered the LU/ha density criterion under the 'agricultural holding size' instead of under 'other criteria', which misleads the assessment of the choice of the criterion.

dimension ranges from 0.5 - 3 ha up to 50 ha, the payment level is also variable, ranging from 150 €/ha in many parts of Italy, up to as high as 750 €/ha in Madeira, Portugal. The payment levels are in all cases digressive (i.e. the larger the holding size, the smaller the payment/Ha).

2.2.2 Other measures explicitly addressing the needs of mountain areas

Measure 214 appears to have the highest connection with mountain farming having been targeted to it in 35 RDPs.

Axis 1 measures are generally the most related to mountain areas. Several measures (122, 125, 114, 123) have a connection with mountain areas at least in 14 -17 RDPs; Measure 121 – modernisation of agricultural holdings (27 RDPs) and Measure 112 – setting up of young farmers (21 RDPs) are the two measures most frequently targeting mountain areas after measure 214.

Apart from measure 214, Axis 2 shows a relevant connection with the topic principally concerning forestry measures (221- first afforestation of agricultural land, 226 – restoring forestry potential and prevention actions, 223 – first afforestation of non-agricultural land).

Among Axis 3 measures, the highest connection with mountain farming is particularly evident for measure 311 –diversification into non-agricultural activities (19 RDPs). Axis 4 measures were, in most cases, generically indicated as addressing mountain issues but without any further reference to specific measures/actions. This is due to specific priority criteria in selecting or targeting LAG and their actions in LFA areas (explicitly or *de facto* including mountain areas).

MS vary in terms of the number of explicitly targeted measures to mountain areas. In terms of number of measures identified, Italy and Spain (on average) show the highest number of measures (7) followed by Portugal (6).

Measure 214: Agri-environment payments

Measure 214 is the most frequently used amongst the other measures explicitly addressing the needs of mountain areas. According to the results of the screening it is included in this capacity in 35 (57%) of the RDPs. The analysis reveals a highly varied approach in the use of eligibility criteria in the RDPs. Five main types emerge, all of which have tended to be used with equal frequency, namely: (i) Environmental sensitive areas, which include Nature 2000 and vulnerable areas; (ii) Specific crops, when the measure has been applied to support a particular kind of crop (for example rye, wheat, barley) including endangered local crops; (iii) Animal species at risk, targeted at preserving native species (iv) Mountain pasture; wetlands, grasslands and meadows and specific holdings, for example those located in environmental sensitive areas; and, (v) Organic farming and environmentally friendly practices.

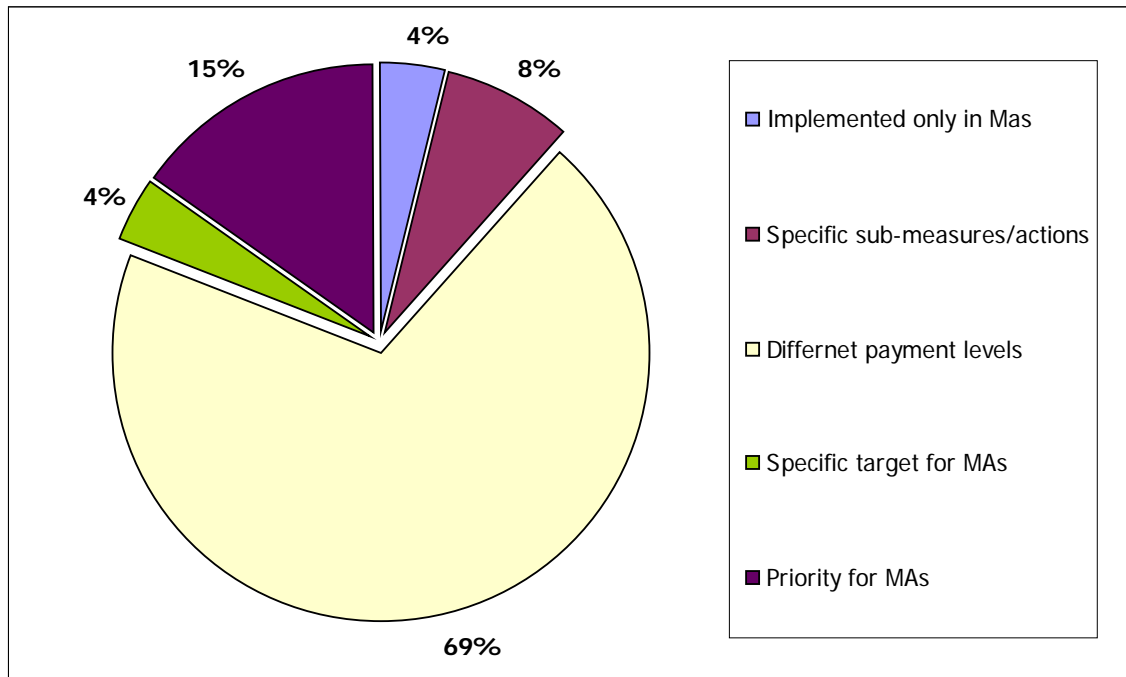
Some RDPs apply only single eligibility criteria for use of the measure, whilst others have opted for a more complex framework, using multiple criteria. The most frequent type of target beneficiary is farmers (identified in 54 RDPs, including agricultural entrepreneurs, land owners, livestock breeders etc).

Measure 121: Modernisation of agricultural holdings

In 27 RDPs (4 MS in total: FR, IT, ES, CZ) this measure is explicitly linked with mountain areas and mountain farming activities. 15% of the RDPs indicate specific priority for mountain farmers/holding,

including also specific priorities for sectors that are relevant and/or exclusive to mountain areas. In practical terms this usually translates in a higher level of payment granted to these subjects.

The application of differentiated payment criteria and levels is applied by the majority of the RDPs (69%)



which explicitly set different payment criteria and level according to the location of the holdings (e.g.: LFA/non LFA areas). These different payment parameters include different min/max eligible amounts, % of total investment supported, etc. In a few cases, the measure is completely implemented in mountain areas (e.g. IT-Trento). The levels of payment (expressed in terms of % of total eligible investment cost) vary between RDPs, ranging from 45% to 75%. Usually the percentages applied for mountain area holdings are 5 to 10% points higher compared to the percentages in non-mountainous areas.

Measure 112: Setting up of young farmers

In 21 RDPs this measure is explicitly linked to mountain farming areas. The majority of the RDPs (14 out of 21) set different payment levels depending on farm location, where the support for farms in mountain areas (and other LFA areas as well) is higher than the reference payment level (on average, +10%). When this mechanism is not applied, RDPs indicate that consideration should be given to giving priority to young farmers setting up in mountain areas in the selection of the applications (in particular, this applies in several Spanish RDP).

Measure 311: Diversification into non-agricultural activities

This measure is directly linked to the support of mountain areas in 19 RDPs (among which 16 Italian RDPs, FR-Reunion, Navarra and Cataluña for Spain). In practically all cases, the link is provided by an explicit targeting to mountain areas or areas where mountains are relevant such as disadvantaged areas and LFA that suffer of depopulation.

This targeting action has been translated to ensuring a priority for the actions to be carried out in these areas or even more through an exclusive application of the measure. This means that either farmers on

other areas are excluded for the support, or the farmers in mountain areas are given priority during the selection of the projects.

From the economic support point of view, in those cases in which priority is given to mountain areas, farmers (or farmers' family members) can receive a higher % of total investment expenditures supported (e.g. 50% in LFA areas against the 40% in other areas or 45% in disadvantaged areas against the 35%). When the measure is exclusively applied in mountain areas the support percentage varies from 30% to 75% according to different factors such as area, type of farmer (e.g. young farmer), type of project.

2.2.3 Other measures which could apply to mountain areas

The analysis undertaken on 62 RDPs indicates that many other RDP measures are considered to have a relevant role in supporting mountain areas even if no explicit reference is made about mountain farming in the RDPs. 30 measures considered relevant to mountain areas have been identified at least once in the analysed RDPs, with measure 214 being identified in 40 RDPs. Other measures of Axis 2 considered to be of particular relevance are measure 216 and the forestry-related measures 226 and 227².

The importance of the forestry sector is confirmed by the high frequency of measure 122 as being relevant to mountain areas in Axis 1. In this axis the other most relevant measures are the ones related to investments (121 and 123) together with the measure on cooperation for the development of new product, processes and technologies. Among Axis 3 measures, measure 313 is relevant in mountain areas in many RDPs, followed by measures 311.

In certain MS, for example, Romania, Italy, Sweden 6 or 7 different measures have been identified as being of relevance to mountain areas, 5 in Spain and France.

The main body of the results from the RDP screenings are summarized in Annex 2.

2.3 Italian and Spanish National Summaries

2.3.1 Italian national summary results

Over 54% of Italy is defined as mountain areas³, clustered into three main zones, namely: the Alps in the North; the Apennine in the Centre; and several internal mountains in the regions of Southern Italy. The Italian NSP highlights some of the major problems affecting these mountain areas. In particular, it cites:

- The lack of adequate strategic forestry planning and management;
- The strong fragmentation of property in mountain areas;
- The increased abandonment of mountain areas and of mountain farming/pastoral activities, that leads to a spontaneous return to nature/forest landscape patterns, with diminishing biodiversity values;

² Where a measure does not have any sub-measure, it can explicitly make reference to mountain areas or not. However, where a measure has several discrete sub-measures, one or more sub-measures may make explicit reference to mountain areas and other sub-measures may also apply to mountain areas. Thus, Measure 214 explicitly mentioned mountain areas in 35 RDPs and implicitly in 40 RDPs.

³ According to ISTAT- National statistical office, 2004.

- The high soil vulnerability and fire risk of many mountain areas.

In order to address these issues, the NSP proposes certain interventions mainly focused on maintaining farming activities in LFAs, preservation of biodiversity (particularly high value agro-forestry systems) and restoration of natural habitats. However, when comparing the NSP with the twenty-one RDPs it is clear that the NSP does not provide a sufficiently elaborated framework for addressing the problems of mountain areas/farming in Italy. And indeed none of the RDPs (with the exception of those classified entirely as mountainous) provide a strategic analysis or integrated programme for such areas. However, in broad terms, the content of the large majority of the RDPs addresses the key issues highlighted by the NSP, trying to avoid/reduce the abandonment of mountain areas and of mountain farming, and the lack of adequate/proper strategic forestry planning and management. This has been achieved predominantly through funding of Measure 211. Almost all the Italian RDPs have used Measure 211 as a major tool for addressing mountain farming/issues, with fairly similar eligibility and payment criteria, apart from the Regions entirely classified as mountainous that adopted a more sophisticated approach for both aspects (e.g. adopting a complex more payment formula, allowing them to take into account a wider range of factors).

However, the analysis of the funding of Measure 211 and of the other measures directly addressing mountain farming shows significant differences between regions/areas. For example, the total public expenditure allocated to Measure 211 varies from 0,7% of total RDP budget allocations in Puglia to 21,9% in Valle d'Aosta and Trento, while the RDP budget spent on all the relevant measures in support of mountain areas varies from 4,8% (Sicilia) to 89,5% (Trento). Northern regions (Piemonte, Lombardia, Veneto, Trento, Bolzano, Aosta) devoted far larger resources to mountain-related measures, whereas most other Regions allocated only minor amounts to this sector (both in terms of funds spent on Measure 211 and on all other mountain-relevant measures), notwithstanding the high presence of mountain areas in their territory.

The RDPs approach to solving the problems highlighted by the Italian NSP is usually two-sided, namely: (i) Support for diversification-oriented measures, namely Measure 311 (Diversification into non-agricultural activities), used in 17 RDPs; Measure 313 (Incentives for Tourism activities), used in 12 RDPs; Measure 321 (Basic services for rural economy and population), used in 11 RDPs; Measure 323 (Conservation and upgrading of the rural heritage), used in 11 RDPs; and (ii) Support for Forestry-improvement, namely Measure 125 (Infrastructures linked to the development of farm and forestry) used in 10 RDPs; Measure 121 (Modernisation of agricultural holdings); Measure 214 (Agri-Environment payments); and Measure 226 (Restoration of forestry potential and preventive interventions). Other measures that indirectly or potentially address mountain farming/issues include: Measure 122 (Economic Exploitation of forestry); Measure 123 (Increase in the added value of farm and forestry produce); Measure 124 (Cooperation for the development of new products / processes); Measure 216 (Non-productive investments); Measure 221 (First afforestation of agricultural land); & Measure 227 (Support to non-productive investments in forestry areas). The full report on the Italian NSP and RDP screening case study is provided in Annex 3.

2.3.2 Spanish national summary results

Spain is a country well known for its wide plains but it also includes a significant portion of mountain areas (54% of the national territory, EEA 2009). In overall terms, the support to mountain areas specified

in the individual RDPs appears to be highly consistent with the NSP framework in support of mountain areas developed for Spain. The NSP highlights a wide range of challenges in mountain areas including demographic change; land abandonment; soil erosion; remoteness/accessibility; lack of competitiveness; risk of fire and deforestation. It also highlights certain opportunities that exist in certain mountain areas including protection of landscapes and traditional animal husbandry. It also elaborates the proposed policy responses, including the need to support handicapped/disadvantaged areas, ensure environmental protection and sustainability and protection of forests. Significantly, it specifically stresses the importance of two measures in support of mountain areas, namely Measure 112 (Setting up of young farmers) and Measure 114 (Use of advisory services by farmers and forest holders). For both of these measures the main eligibility criteria is defined as the location in handicapped/disadvantaged areas. This detailed strategic framework appears to have been transferred into most RDP frameworks. However, when analysing individual measures, and their relative weight of funding within RDPs, a more complex picture emerges.

Concerning the implementation of Measure 211, all regions adopted a mixed approach, in terms of eligibility criteria, based on a wide number of factors, often applying a rather sophisticated formula, aimed at promoting improved targeting to those most in need of such support (though the effectiveness of this approach has been questioned in recent studies⁴ of LFA support in 2006). This approach partially explains why the funding allocations for this measure are relatively low in all the RDPs (compared to some other MS – e.g. Italy), varying from 0,8 (Andalucía) to 13% of overall budget (Cantabria), with the highest levels usually found in regions with higher presence of mountain territory.

The higher use of other measures, usually horizontal (e.g. 214, 112, 121, 114, 221) which on average, exceed the relative amount of designated mountain areas in each region, appear to reflect a broader strategic approach adopted by Spain that seeks to support mountain areas primarily through investment in modernising of existing farming/forestry practices, rather than promoting rural/farm diversification towards other income sources (e.g. tourism). This approach appears to offer a marked contrast in the approach adopted by other Mediterranean countries (e.g. Italy) which have tended to favour farm/rural diversification.

The actual use, impact and overall effectiveness of supporting mountain areas through the use of such measures is not fully clear, based on the current desk based research, requiring more detailed analysis to understand the relative merits of this approach over other strategies. The full report on the Spanish NSP and RDP screening case study is provided in Annex 4.

2.4 Monitoring data summary

EAGGF Guarantee section monitoring data for EU-25 for the years 2002-2006 was analysed in order to understand the importance and nature of the support to mountain areas during this previous programming period. As EAGGF Guidance data are not considered, only the information provided for early retirement, LFA, areas with environmental restrictions, agri-environment and animal welfare and

⁴ 'An evaluation of the Less Favoured Areas Measure in the EU 25', reported prepared by IEEP for DG AGRI, November 2006.

afforestation of agricultural land measures are complete. The MS with mountain areas considered in the analysis⁵ are AT, BG, CZ, CY, DE, GR, ES, FI⁶, FR, IT, PL, PT, RO, SK, SL, and SE.

The analysis reveals that just under 30% of total EAGGF Guarantee expenditure, approximately €1.3 bn p.a., was allocated to mountain LFA areas in EU-25. The share allocated to mountain areas in the new MS was lower than in EU-15. In those MS with designated mountain areas, on average 33% of EAGGF-Guarantee expenditure was allocated to those areas. In absolute terms FR and IT spent the most in mountain areas (annual expenditure averaging €460 and €360 million respectively), followed by FI, ES and AT. AT and SL allocated over two thirds of public expenditure to mountain areas.

Over half of the EAGGF Guarantee expenditure to mountain areas was channeled through the LFA and agri-environment and animal welfare measures. Excluding the LFA measure, the following measures had the largest proportion of their expenditure allocated to mountain areas: (i) Other forestry measures (43%); (ii) Setting-up of young farmers (30%); (iii) Investments in agricultural holdings (26%); (iv) Agri-environment and animal welfare (24%).

A comparison of average expenditure per approved application between non LFA areas and mountain areas shows different results according to the measure being considered. For investment and Art 33 measures, expenditure per application is typically higher in non-LFA areas. In particular, the average 'investment in agricultural holdings' applications were 42% higher in non-LFA measures, than in mountain areas. Conversely, investments in the forestry sector were 49% higher in mountain areas. A more detailed analysis of the available monitoring data for the 2000-2006 period is provided in Annex 5.

3 Summary of main findings & possible follow-up actions

3.1 Summary of main findings

Below is a short summary of the main findings from the mountain farming screening analysis:

- Analysis results suggest that the availability and use of EU rural development measures in support of mountainous areas (both direct and indirect) is widespread in many Member States.
- It is also clear that the type of support offered and its application in specific mountain regions varies greatly across the EU, both in the types of measures used and the eligibility criteria applied to them.
- This finding suggests that the current EAFRD Rural Development policy framework and range of measures (and sub-measures) available are not necessarily a major constraint to the development of mountain areas but rather it is the use and application (or otherwise) of these policies and measures in individual member states and regions that remains critical to mountain areas support effectiveness and overall impact.

⁵ Selected as per the definition given in Reg. (EC) 1257/99 Art.16 -20)

⁶ Finland presents specific areas that are assimilated to 'mountain areas'.

- Understanding of the various problems, constraints, strategic priorities, approaches and methods of supporting mountain areas within the EU appears to vary greatly within and between countries;
- Where NSPs are less well elaborated in defining the problems and opportunities in mountain areas, or lack a well developed framework of policy responses, they tend to result in more varied and inconsistent RDPs, in terms of the approaches taken in the selection and design of specific measures and sub-measures in support of mountain areas;
- Whereas, when there is greater analysis and definition in the NSP's of the mountain area issues and policy responses, there tends to be a greater coherence and consistency in the approach and choice of measures within RDPs;
- The case studies for Italy and Spain illustrate this issue clearly. They also reveal a marked contrast in the approach and emphasis placed on certain strategies and measures between countries and regions;
- There also appears to be a large variance in the level of funding and range of support available between regions (as clearly illustrated by the case studies for Italy and Spain);
- Based on the national case studies examined, variations in support appear to have only limited correlation with the amount of mountainous areas within a region, suggesting that mountain areas do not always receive sufficient levels of support in some countries/regions;
- Measure 211 is clearly the most significant measure used in support of mountain areas. The use of sometimes complex eligibility criteria is increasingly used in some countries to improve targeting and ensure that such support is provided to those that most need it. But this approach may have further drawbacks in terms of transparency and accessibility of the measure. In addition separate evaluations of support for LFA's undertaken in 2006 suggest that such approaches do not necessarily lead to improved targeting.
- Measure 214 also remains a significant measure implemented in support of mountain areas. The use of eligibility criteria varies greatly between regions, with some choosing very simple approaches (single criteria), whilst others have developed far more complex approaches (multiple criteria), which is a contributory factor limiting the access to the measure.
- Other *direct measures* in support of mountain areas of most significance include:
 - in axis 2, forestry measures, 221- first afforestation of agricultural land, 226 – restoring forestry potential and prevention actions, 223 – first afforestation of non-agricultural land);
 - in axis 1, first of all Measure 121 – modernisation of agricultural holdings and Measure 112 – setting up of young farmers and also measures 122, 125, 114, 123;
 - in axis 3 measure 311 – diversification into non-agricultural activities.
- The popularity of these direct measures appears to indicate a general strategic trend in the support and promotion of mountain farm/mountain rural diversification and the development of the forestry sector (though there are some notable exceptions to this trend e.g. Spain, which appears to favour farm and forest modernisation over diversification).
- *Indirect measures* in support of mountain areas identified to be of significance include measures 214 and 216 and the forestry-related measures 226 and 227

3.2 Possible follow-up actions

Based on the findings from this analysis, follow-up actions could be considered:

- Clearly mountain areas represent an important resource within the EU (and an area which is likely to become more significant through enlargement) and one which would benefit from detailed analysis of specific regions to better understand the relative importance of key factors affecting individual mountainous regions and the ways in which current and future support is working and where it could be improved.
- More efforts could also be made to understand where good and best practice lessons exist and to collect and disseminate such information within and between all member states which can actively contribute to improved support for mountain areas.

ANNEX 1: National Strategic Plans (NSPs) Screening Results

Scope: 17 NSPs were reviewed comprising the 16 MS with delimited mountain LFAs + the UK. The summary below relates only to the Member States with mountain LFAs.

Overall consistency / strength of links between the NSPs and RDPs: The screening results reveal a high correlation between the NSP and RDP's in 4 Member States (i.e. clear identification of the problems/constraints addressed and link with relevant RD measures); A medium correlation in 7 Member States (i.e. identification of some problems/constraints which are addressed /linked with selection of some relevant RD measures) and a low correlation in 6 Member States (i.e. identification of some problems/constraints but weaker link with selection of RD measures).

Explicit references to mountain areas: 14 of the 16 NSP's contain explicit references to mountain areas, mainly related to the economic, social, infrastructure and environmental challenges in rural areas. Common issues highlighted in most NSP's include the general demographic decline in mountain areas; remoteness and accessibility problems; degradation of land and landscapes (erosion and deforestation); Lack of farm competitiveness and scale issues; and the overall trends and diversity of mountain areas.

Indirect references to mountain areas: Indirect references are included in all 16 NSPs. References of significance in mountain areas tend to focus upon: Strategic priorities and /or actions to assist disadvantaged/handicapped areas; counter the depopulation of mountain areas; improving the economic, social and economic opportunities in mountain areas; protecting the biodiversity; enhancing the rural heritage; and promotion of more integrated rural and territorial development. The main results from the NSP screening are summarized in the following two tables:

Table 1: Screening of mountain farming in NSPs 2007-2013	
Screening questions	Narrative summary of screening results for 15 NSPs
1.1 Does the NSP contain any explicit reference to mountain areas/mountain farming?	<p>14 NSP's make direct reference to mountain areas/farming 2 NSPs make no direct reference to mountain areas/farming (i.e. Poland & Finland)</p> <p>For those NSPs that make direct reference to mountain areas, they can be grouped as follows, based on the nature of their direct references:</p>
Group 1	NSPs which highlight only the main problems in mountain areas (6): Austria, Bulgaria, Cyprus, Czech Republic, Germany and Sweden.

Group 2	NSPs that highlight both the positive and negative dynamics of mountain areas/ farms (6): Greece, Italy, Romania, Slovakia, Slovenia and Spain.
Group 3	NSPs that highlight both the positive and negative dynamics of mountain areas/farms and provide indications of the policy responses to be developed (2): France and Portugal.
1st most frequently referenced negative issues/problems	12 NSPs cite 'demographic changes and land abandonment' as one of the most significant problem to be addressed in mountain areas.
2nd most frequently referenced negative issues/problems	11 NSPs cite 'remoteness' and 'accessibility' as significant problems to be addressed in mountain areas.
3rd most frequently referenced negative issues / problems	8 NSPs cite 'soil erosion' as a significant problem to be addressed in mountain areas.
4th most frequently referenced negative issues / problems	7 NSPs cite 'farm scale/lack of competitiveness' as a significant problem to be addressed in mountain areas.
5th most frequently referenced negative issues / problems	5 NSPs cite 'deforestation' as a significant problem to be addressed in mountain areas.
6th most frequently referenced negative issues / problems	2 NSPs cite 'dependence upon public funding' as a significant problem to be addressed in mountain areas.
1st most frequently referenced positive issues / opportunity	10 NSPs cite 'protection of landscapes' as a significant opportunity to be addressed in mountain areas.
2nd most frequently referenced positive issues / opportunity	8 NSPs cite 'tourism' and/or 'agro-tourism' as a significant opportunity to be addressed in mountain areas.
3rd most frequently referenced positive issue /opportunity	7 NSPs cite 'diversification' as a significant opportunity to be addressed in mountain areas.
4th most frequently referenced positive issue /opportunity	5 NSPs cite 'livestock' and/or 'animal husbandry' as a significant opportunity to be addressed in mountain areas.
5th most frequently referenced positive issue /opportunity	2 NSPs cite 'protection of unique habitats' as a significant opportunity to be addressed in mountain areas.

<p>1.2 Are there (other) elements in the NSP which could be particularly relevant for mountain areas?</p>	<p>All NSP's screened with the exception of Poland, make references to particular aspects in their strategy that could be of relevance to mountain areas/ farms. Indirect / implicit references of particular relevance to mountain areas / farming cited in the screened NSPs include:</p>
<p>Element 1</p>	<p><i>Support to Less favored / disadvantaged / handicapped areas:</i> References in 15 NSPs. Highlighting the problems and needs linked to accessibility, productive capacity of the land and scale of farming etc.</p>
<p>Element 2</p>	<p><i>Environmental protection/Biodiversity:</i> References in 11 NSPs. Including the need to promote sustainable use and access to resources in mountain areas; protection against over use and damage through tourism; protection of biodiversity; protection against soil erosion; fire protection etc.</p>
<p>Element 3</p>	<p><i>Quality of life:</i> References in 4 NSPs. Including the need to improve access to remote rural areas (particularly in mountain areas); improved access to services (health, education) in mountain areas;</p>
<p>Element 4</p>	<p><i>Animal husbandry:</i> References in 1 NSP. Including the opportunity to promote certain livestock (reindeer in Sweden) and certain breeds in mountain areas/farms.</p>
<p>Element 5</p>	<p><i>Tourism:</i> References in 4 NSPs. Citing the need to promote the tourist potential of certain regions with natural advantages (e.g. skiing, climbing, hiking, rafting etc).</p>

Table 2: NSP screening results by MS

No	Member state	Explicit reference	Explicit references to mountain farming/ mountain areas			Most frequently referenced negative issues/ problems					Most frequently mentioned positive issues/ opportunities					Indirect references to mountain farming / issues of particular relevance to mountain areas						Link of NSP with RDP's (low/medium/high)		
			A: Reference to problems / issues	B: Reference to problems/ issues and opportunities	C: Reference to problems/ issues and opportunities and policy responses	Demographic change / land abandonment	Soil erosion	Remoteness / accessibility	Farm scale / lack of competitiveness	Deforestation	Dependence on public funding	Tourism / Agro-tourism	Protection of landscapes	Diversification	Animal husbandry / livestock	Additional issues / opportunities	Indirect reference / relevant issues	Support to LF / disadvantaged/ handicapped areas	Environmental Protection	Quality of life	Animal husbandry		Tourism	Other areas
1	Austria	Yes	1			1		1	1			1	1	1	1		Yes	1	1		1			Medium
2	Bulgaria	Yes	1				1										Yes	1						Medium
3	Cyprus	Yes	1			1		1									Yes	1						Low
4	Czech Rep	Yes	1			1	1	1	1			1	1	1			Yes	1				1		Low
5	France	Yes			1	1	1	1	1	1		1	1	1	1		Yes	1	1	1		1		High
6	Germany	Yes	1			1						1	1		1		Yes	1	1					Low
7	Greece	Yes		1		1	1	1				1	1	1			Yes	1						Medium
8	Italy	Yes		1		1	1	1	1	1		1	1	1	1		Yes	1	1					Medium
9	Poland	No															No							Low
10	Portugal	Yes			1	1	1	1	1	1		1	1	1			Yes	1	1	1		1		High
11	Romania	Yes		1		1		1				1	1		1		Yes	1	1			1		High
12	Slovakia	Yes		1		1	1	1				1	1	1			Yes	1					1	Medium
13	Slovenia	Yes		1			1	1	1				1		1		Yes	1	1	1				Low
14	Spain	Yes		1					1				1		1		Yes	1	1					High
15	Sweden	Yes	1							1		1			1		Yes	1	1	1				Medium
16	Finland	No				1	1			1							Yes	1	1					Low
Total		14	6	6	2	12	8	11	7	5	2	8	10	7	5	2	16	15	11	4	1	4	1	
17	UK	Yes		1		1	1	1	1	1		1	1	1			Yes	1	1		1			Medium

ANNEX 2: Rural Development Plans (RDPs) Screening Results

1. Summary of main LFA measure (211/212)

The following elaborations are based on the analysis undertaken for 60 RDPs (17 MS). 49 RDPs apply Measure 211, while 11 RDPs (CY, CZ, ES-Murcia, ES-Asturias, PL, PT-Continent, PT-Madeira, SE, SL, SK, FI-Continental) apply measure 211 and measure 212 together. Only FI-Åland has programmed measure 212 (*Note: FI- Åland and UK-Scotland (applying measure 212) are not included in the analysis*).

When applying measure 211 (or measures 211 and 212 jointly), RDPs have set out a variety of eligibility criteria that the potential beneficiary has to meet in order to be entitled to support through the measure. The analysis has identified four types of criteria most used by RDPs to define eligibility, namely: Altitude; Slope, Combination of altitude & slope; and Agricultural holding size⁷ (usually expressed in UAA hectares). A number of RDPs have also introduced additional criteria, varying from Livestock Units (LU)/hectare density limits to the use of land (type of cultivations) and even the location of the holding.

The holding size criteria has been applied in most RDPs (55), thus becoming the most common mechanism to improve targeting of the measure support. The general trend followed by the RDPs is to establish holding size criteria, combined with altitude/ slope criteria, with varying degrees of complexity. The sophistication of the criteria tends to be directly linked to country and regional objectives and funding allocations, which will guide targeting of support to either broader or more focused groups of potential beneficiaries in mountain areas.

Slovenia (which has 76% of its territory defined as mountainous and 69.5% of the UAA classified as mountain LFA) has established a relatively simple approach that defines three thresholds, namely: An average altitude of the area of at least 700m; An average slope of at least 20% (at least 50% of the area); or, An average altitude of 500m, together with an average slope of at least 15%. By not introducing a fourth criteria based on holding size, this approach clearly targets mountainous or high mountain areas, with specific disadvantages in terms of accessibility and mechanisation.

In contrast, *Cyprus*, in addition to applying less rigorous altitude and slope criteria (i.e. at least 800m or from 500m to 800m, with a slope of 15%), mainly targets the measure support to agricultural holdings that meet a minimum dimension of 3 UAA ha. This approach clearly encourages a broader group of beneficiaries close to mountainous areas to be able to apply and benefit from support through this measure.

The *Spanish RDPs* generally follow a harmonised and somewhat complex framework for eligibility criteria for measure 211 including an altitude threshold >1.000 m; a >20% slope criterion or; an

⁷ After revision of the fiches, it is clear that in the majority of the case, it seems to be no difference in the way in which 'agricultural holding size' and 'UAA' criteria have been considered. The distinction between the two criteria is often ambiguous and there is no sufficient evidence about what the difference consists in (no further explanation provided in the fiches). In addition, a lot of fiches considered the LU/ha density criterion under the 'agricultural holding size' instead of under 'other criteria', which misleads the assessment of the choice of the criterion.

altitude threshold >600m together with an average slope >15% (except municipalities totally surrounded by mountain areas where the slope will be >12%). In addition, a minimum holding size of 2 ha (UAA) is required (with the exception of Canary islands where the minimum dimension is 1ha and of Catalunya where the UAA threshold is set to 5ha). The Spanish RDPs are also characterised by an extensive use of a LU density criteria that essentially reflects an environmental dimension, by specifying minimum or maximum LU thresholds to be respected. On average, support is granted to agricultural holdings that can provide a LU/ha density rate between 0.2 LU/ha of forage area (minimum threshold) to 1 or 2 LU/ha, according to the level of annual rainfall (over or under 800ml/year). This 'environmental commitment' is also confirmed by an additional requirement set out by the measure in a majority of Spanish RDPs, in which the farmer/holding is required to meet minimum standards of management and Good Agricultural and Environmental Practice, according to Regulation (EC) n° 1782/2003 and Regulation (EC) 796/2004 (cross-compliance). Where not indicated as an additional requirement, the commitment to agricultural production methods that are compatible with the environment or, more in general, agri-environment commitments are expressed as priorities for the support.

In *Italy* (60% of the national territory is mountainous) the minimum UAA size criteria is clearly identified and quantified in almost all the RDPs. On average the minimum holding size for eligibility is 2-3ha but overall it ranges from <1ha (from 0,2 to 0,5 ha for vineyards, olive trees, chestnut trees) to 10 ha (for livestock farms) depending of the type of cultivation or farming activity. However, no specific altitude and/or slope criteria seem to be defined. The majority of the RDPs simply refer to the definition of mountain areas given by Article 50 of Regulation 1698/2005 and/or other legislative frameworks. In the particular case of Trento, given that the whole territory of the province is classified as mountain area, according to Directive 268/75/CEE, the measure has been implemented in areas classified as particularly disadvantaged. A wide set of criteria has been set up in order to provide a classification of these areas where, for example, altitude and slope criteria are taken into consideration and play as multiplier factors. This calculation method is then linked to the definition of payment levels. And similarly to the Spanish case, environmental commitments are used by the Italian RDPs through the definition of stocking density thresholds for eligibility (ranging, on average from 0,5 to 3 LU/ha) or explicit references to the cross-compliance requirements set out in Reg. EC 1782/03 and even specific Directives such as the 'nitrate directive' 91/676/CEE (Emilia Romagna RDP).

A similar level of commitment is also evident in the French case where almost all the RDPs combine a holding size criteria (defined in all the RDPs) with minimum and maximum levels of stocking density (LU/ha), in cases where livestock breeding is practiced (also linked to payment levels). In general, no particular reference is made to altitude/slope criteria in France where the access to measure 211 support is defined mainly through the UAA size criterion, which varies from 2 to 5 ha. In certain cases the minimum extension is linked to a particular type of cultivation (especially in the overseas regions, e.g. banana cultivation).

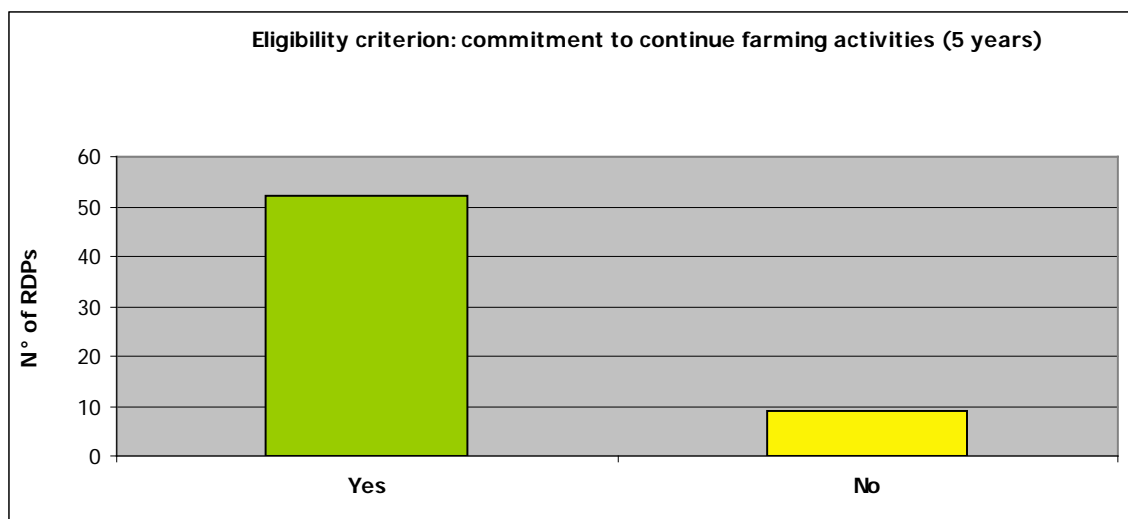
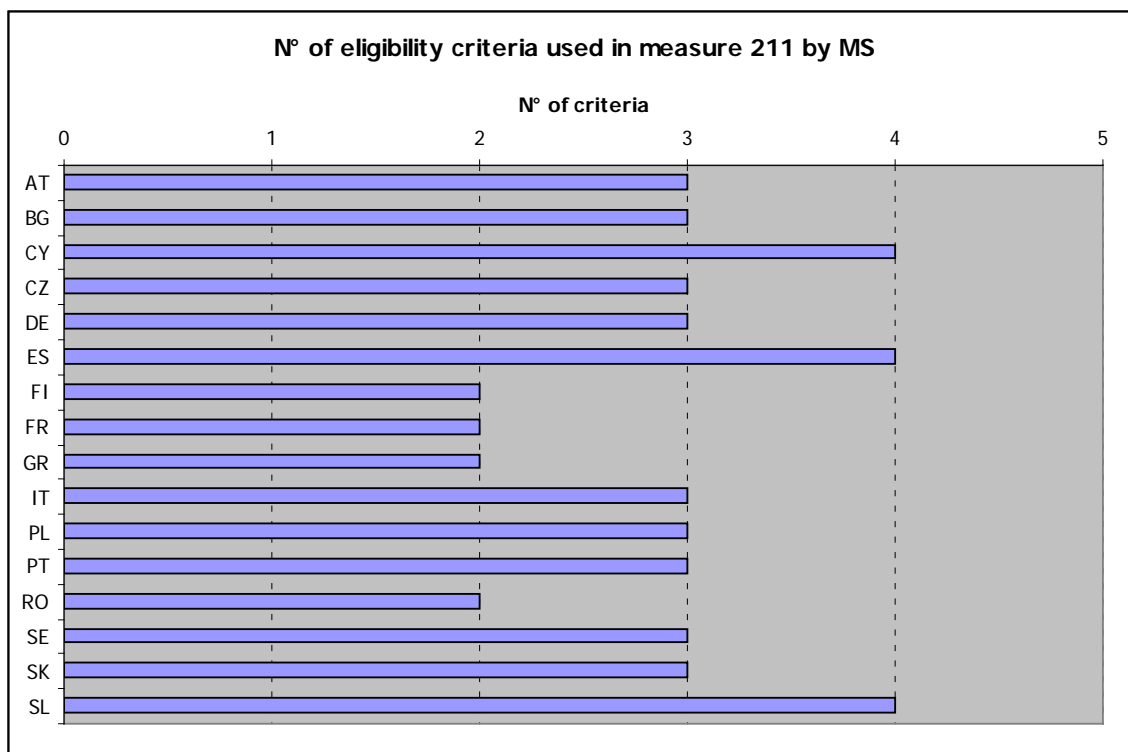
A similar approach, based on a low number of criteria, is applied in Finland (measures 211 and 212 apply jointly) where the area eligible for the natural handicap payment has to be at least 3 ha and some type of areas (such as wild pastures and wild meadows) are excluded from the support. Similarly, in the case of Greece the main limit is given by the minimum holding size of 2 ha (eligible farming lands are the ones included in Directive 85/148/EEC).

The Romanian and the Bulgarian RDPs have kept the application of eligibility rules simple, defining a combination of altitude and slope criteria, with slight differences. For Romania, access to support is granted to areas with an average altitude of at least 600m or between 400 and 600, together with an average slope of 15% at least. In the Bulgarian case the minimum altitude is set to 700m (or a slope of 20%), while if the average altitude is lower (500m) a slope threshold is applied jointly (15% at least).

For the other MS/RDPs not considered so far and that apply measures 211 together with measure 212, the definition of a minimum holding size (UAA) is still pivotal for targeting the support to LFA areas, the minimum threshold ranging from 1 ha (PL and PT where a LU/ha density rate is considered as well) to 3 ha (SE, FI) Additional criteria are utilised which refer mainly to minimum levels of altitude and/or slope but also to specific characteristics of the holding such as the economic dimension (PT set a maximum economic size of 40 ESU) and the use of land (SE, FI) and the LU density as well (SE).

MS	Measure(s) applied	N° of criteria
ES	211	4
SL	211 + 212	4
CY	211 + 212	4
SK	211 + 212	3
SE	211 + 212	3
PT	211 + 212	3
PL	211 + 212	3
DE	211	3
CZ	211 + 212	3
BG	211	3
AT	211	3
IT	211	3
RO	211	2
GR	211	2
FR	211	2
FI	211 + 212	2

NB: Two Spanish RDPs applied measures 211 and 212 jointly, FI-Aland applies measure 212 only. For MS with regionalised programmes, the average number of criteria has been considered



Payment levels for measure 211

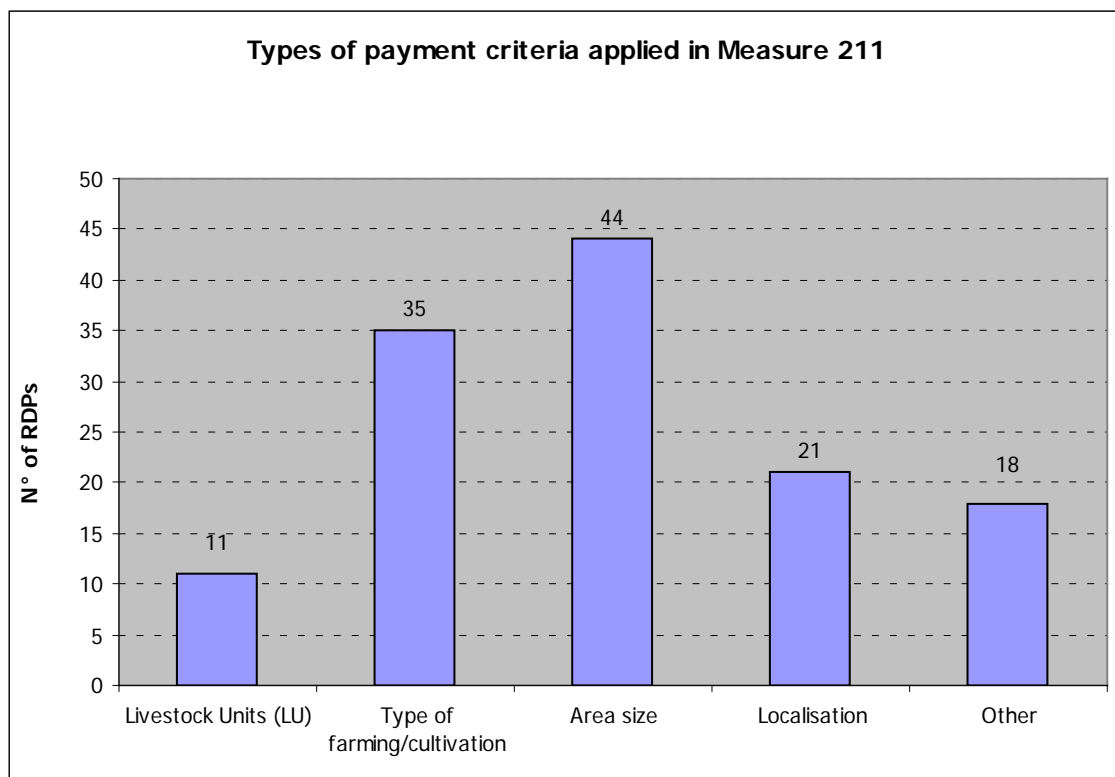
Given the way in which RDPs define and eventually limit the access to measure 211 (and/or 212) by introducing the specific eligibility criteria, the attribution of the direct payments to the agricultural holdings and their level (intensity of support) can be set up on different bases. For example, in the case of Greece, where access to the support is granted for the holding with a minimum size of 2 ha (a single UAA size criteria applied as previously described), payment levels

are set against the type of cultivation/use of farming land, envisaging different intensities of support according to the location of the holding and the typology of farm land.

Example of payment levels envisaged by measure 211 in Greece

Eligibility criteria for access to support		Min 2 ha UAA
Use of farming land	Other criteria applied	Payment levels
Cereal, non-nutritional plants, medical plants	Small remote island	110 EUR/Ha
	All others	100 EUR/Ha
	Young farmers (<40) with green certificate	140 EUR/Ha
	Young farmers (<40) without green certificate	12 EUR/Ha
Other cultivation		80 EUR/Ha
Pasture lands	Small remote island	140 EUR/ Ha
	All others	110 EUR/Ha
	Young farmers (<40) with green certificate	160 EUR/Ha
	Young farmers (<40) without green certificate	150 EUR/Ha

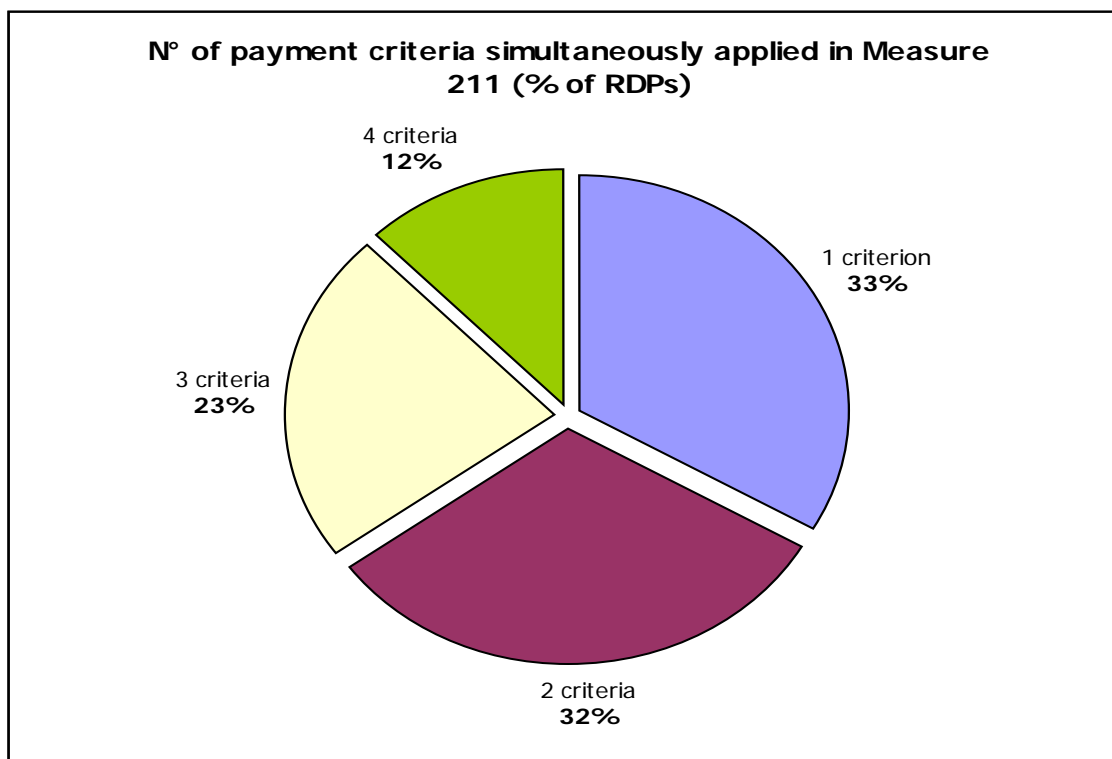
Thus, in Greece, direct payments given to farmers range from 80 to 160 EUR/Ha, depending on the type of cultivation, the type of farmer and the location of the holding.



The analysis shows that the RDPs use at least 4 types of criteria in order to define the amount of the payment, principally based on: 1) livestock unit (LU) density per hectare (i.e. environmental safeguard approach), 2) the type of farming and/or the type of cultivation, 3) the size of the holding in terms of Ha of UAA, 4) the location of the holding. The chart above shows how many RDPs have applied the same criteria in defining the payment level for the Measure. The area size criterion is clearly the most frequent (44 RDPs have applied it) often implemented together with the criterion related to the type of farming/cultivation (35 RDPs).

Several MS (18 RDPs) have applied additional different criteria related to specific characteristics of the farmer or the holding (e.g. in the case of GR where the payment level is differentiated according to whether the farmer is a young farmer with or without a green certificate), envisaging in some cases a more complex system of scoring, based on a range of different parameters (type of cultivation, altitude, slope, etc.).

The wide choice of the LU/ha rate criteria for defining the access to the support, is partially reflected in the calculation of the payment levels (11 RDPs have implemented this criteria) whilst the location of the holding (21 RDPs) is more utilised and in certain cases it relates to specific national/regional area classification that takes into account a multitude of factors. In the case of FI-mainland, for example, payment levels are defined according to a regional area classification, based on the severity of the permanent natural handicap, the structure and the economic situation of the holding and the development objectives. The average payment is €194 /Ha (overall ranging from 150 to 210 €/ha).



One third of the RDPs have used only one criterion when defining the payment levels, while the majority of them use a system based on multiple criteria. In some cases these criteria are weighted by a scoring system, in order to define different levels of support (among which, several Spanish RDPs, IT- Bolzano).

13 of the examined RDPs (including 7 Italian RDPs, BG, PL, the two RDPs for PT, RO, SL) have applied a single criteria system of payment based on the UAA size of the holding. The range of the first per ha payment criteria (the minimum holding size eligible) varies between the RDPs ranging from a minimum holding dimension of 0,5 - 3 ha up to 50 ha. Accordingly, the payment level is also variable, ranging from 150 €/ha to 750 €/ha. The payment levels are in all cases digressive (the largest the holding size the smallest the payment/Ha).

RDPs that apply UAA size payment criteria: Minimum and maximum payment levels

RDP	Minimum size (ha)	Payment level (EUR/ha)	Maximum size (ha)	Payment level (EUR/ha)
BG	0 – 50	110	50 – 100	50
IT- Basilicata	up to 2	200	10 – 20	80
IT- Calabria	up to 5	200	30 – 100	50
IT – Campania	up to 50	250	> 50	125
IT- Lazio	up to 10	150	20 – 30	80
IT – Marche	up to 80	200	80 – 120	100
IT – Molise	up to 20	200	50 - 100	75
IT – Toscana	up to 50	100	> 50	50
PL	0 – 50	320 PLN/ha (51,9 EUR/ha)	100 - 300	<i>25% of baseline:</i> 80 PLN/ha (10,5 EUR/ha)
PT – Mainland	up to 3 ha	320	30 – 150	20
PT – Madeira	0,15 – 0,5	750	2 – 5	<i>200</i>
RO	1 – 50	50	> 300	<i>35% of baseline:</i> 17,5
SL	under 100	254,4	> 100	<i>50% of baseline:</i> 127,2

29 RDPs had further differentiated the per/ha payment levels, according to the type of farming or cultivation practiced (among which 13 Spanish RDPs, and 8 Italian RDPs), while other 4 RDPs (4 Spanish RDPs) have set up a 3 criteria system by adding also LU/ha density levels.

In the most of cases, in general, the 37 RDPs that have applied a criterion based on type of farming/cultivation have applied it together with at least another one (in particular UAA size as already mentioned) or two of them (LU density and localisation the most frequent). In just two cases (De-Saxony, IT-Puglia) the type of farming/cultivation criterion has been applied alone providing only one or two levels maximum of per ha/year payment differentiated according to the cultivation put in place.

2. Other measures explicitly addressing the needs of mountain areas/mountain farming

The following analysis is based on the data provided in 60 RDPs fiches (16 MS) excluding FI-Åland and UK-Scotland (specific information on the two RDPs is provided separately, if relevant).

RDP measures (other than measure 211) explicitly addressing mountain areas

A consistent number of measures across the 60 examined RDPs provide specific references to the support of mountain areas/mountain farming. Not all of them show the same importance if we consider the frequency with which they have been chosen to tackle specific mountain issues.

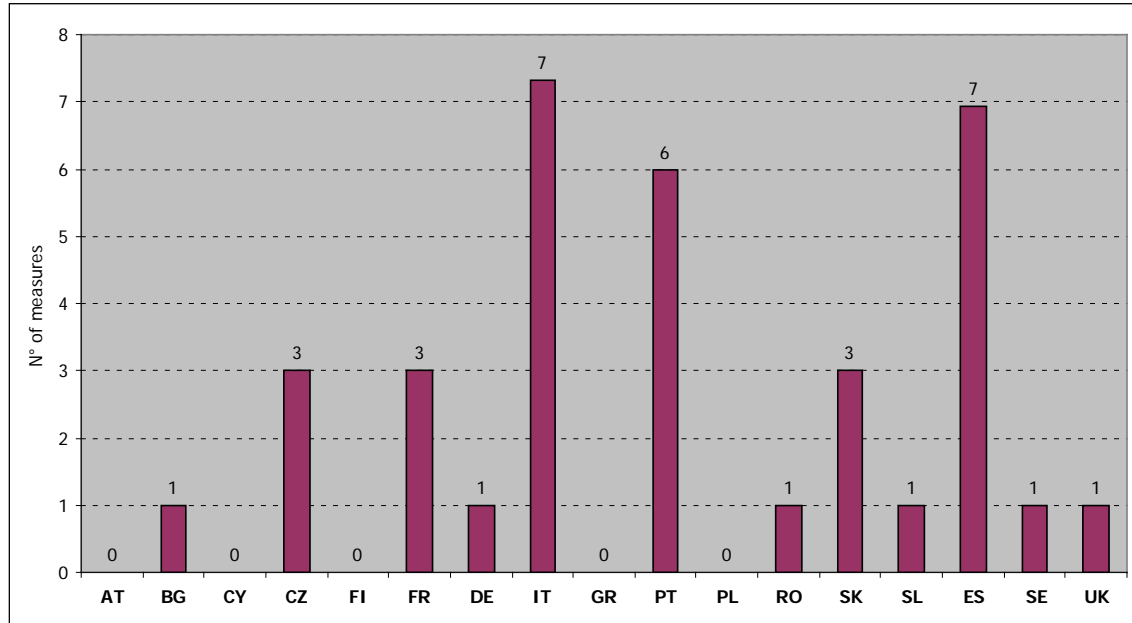
Measure 214 appears to have the highest connection with mountain farming having been targeted to it in 35 RDPs (in UK-Scotland, the measure also shows a connection with the regional specific LFA areas). Apart from this measure, Axis 2 shows a relevant connection with the topic principally concerning forestry measures (221- first afforestation of agricultural land, 226 – restoring forestry potential and prevention actions, 223 – first afforestation of non-agricultural land).

Axis 1 measures are generally the most related to mountain areas. Several measures (122, 125, 114, 123) have a connection with mountain areas at least in 14 -17 RDPs; Measure 121 – modernisation of agricultural holdings (27 RDPs) and Measure 112 – setting up of young farmers (21 RDPs) are the two measures most frequently targeting mountain areas after measure 214.

Among Axis 3 measures, the highest connection with mountain farming is particularly evident for measure 311 –diversification into non-agricultural activities (19 RDPs). Axis 4 measures were, in most of the cases, generically indicated as addressing mountain issues but without any further reference to specific measures/actions. This is due to specific priority criteria in selecting or targeting LAG and their actions in LFA areas (explicitly or *de facto* including mountain areas).

MS vary in terms of the number of explicitly targeted measures to mountain areas. In terms of number of measures identified, Italy and Spain (on average) show the highest number of measures (7) followed by Portugal (6).

Average number of measures explicitly addressing mountain areas by MS



NB: five Spanish RDPs and one French RDP mention also 'Axis 4 ' measures in general (not counted in the chart). For MS with regionalised RDPs, the average number of measures is considered

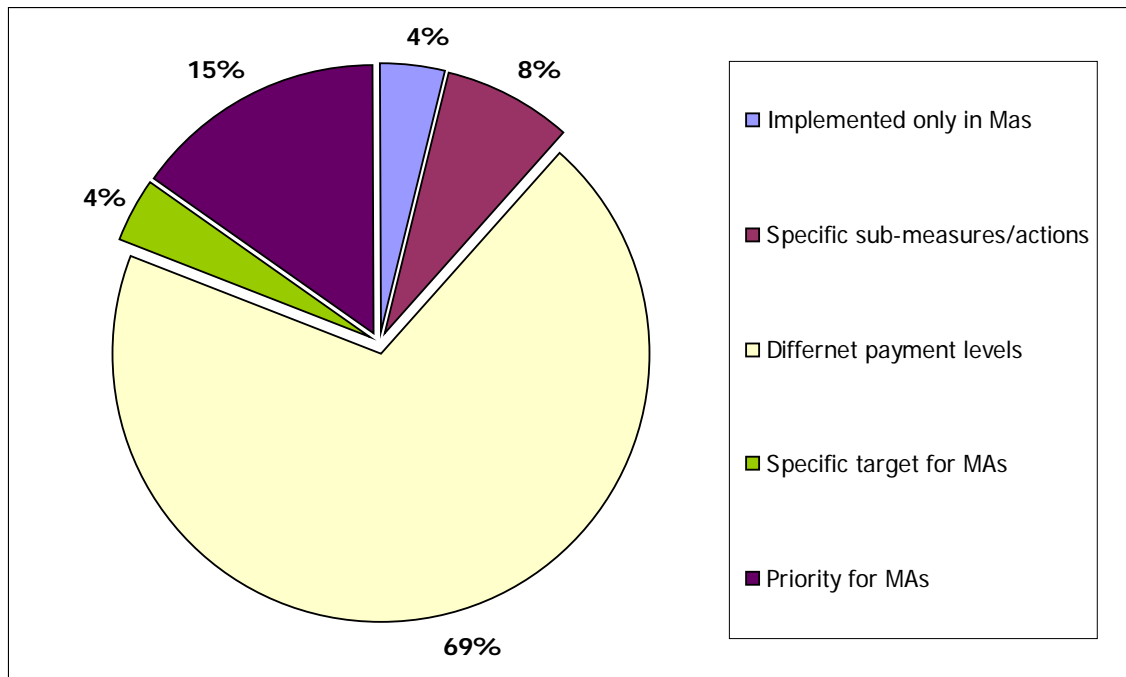
Axis 1 investment measures 121, 122 and 112

The objective of measure 121 (modernisation of agricultural holdings) is to increase the competitiveness of the agricultural sector through productivity of physical capital. The support is given through tangible and intangible investments in agricultural holdings.

The analysis shows that in 27 RDPs (4 MS in total: FR, IT, ES, CZ) this measure is explicitly linked with mountain areas and mountain farming activities. The references made to mountain areas can be generally grouped as presented in the chart below.

15% of the RDPs indicate specific priority for mountain farmers/holding, including also specific priorities for sectors that are relevant and/or exclusive to mountain areas. In practical terms this usually translates in a higher level of payment granted to these subjects.

The application of differentiated payment criteria and levels is applied by the majority of the RDPs (69%) which explicitly set different payment criteria and level according to the location of the holdings (e.g.: LFA/non LFA areas). These different payment parameters include different min/max eligible amounts, % of total investment supported, etc. The majority of the Spanish RDPs, for example, have adopted a similar approach in defining the support intensity by increasing of a 10% the rate of support to the investments (in general up to the 60% of the eligible cost). Outside Spain, also CZ and FR-Hexagone apply the same criterion.



Other direct applicability to mountain areas is due to the presence of specific sub-measures/actions that are targeted to typical mountain farming systems or cultivations. In Corse, for example, three specific actions are implemented within the measures that aim to:

- A. support immaterial and material investments for creation or modernisation of farm buildings, with increased aid level in mountain area;
- B. support the installation or rehabilitation of important perennial cultures for mountain areas (forage cultivation, chestnut, olive, and other traditional fruit tree orchards, .etc.);
- C. support the modernisation of equipment, which is essential for farms in mountain areas most being in backwardness with regard to equipments.

In the Italian province of Bolzano, action 'B' of measure 121 is specifically targeted to support building of shelters/frames to protect agricultural machinery in mountain areas.

In a few cases, the measure is completely implemented in mountain areas (e.g.: IT-Trento) or it presents a not better identified 'target for beneficiaries in MAs' which is related to a specific output indicator.

The levels of payment (expressed in terms of % of total eligible investment cost) vary between RDPs, ranging from 45% to 75%. As mentioned already, usually these percentages applied for mountain area holdings are 5 to 10% points higher compared to the percentages in non-mountainous areas.

The two main criteria identified for measure 121 are also the most used for Measure 122 (Improvement of the economic values of forests) the aim of which is to support the diversification of the forestry production and the marketing of the forestry products while maintaining sustainable management practices.

The measure explicitly address mountain areas in 17 RDPs (in FR, IT, ES) and in 8 of them higher levels of support are granted to forestry in mountain LFA. In Corse, for example, the measure shows to provide a very important support for the development of mountain areas, where forestry is in backwardness. The support is conditioned to the respect of established rules, plans and good practices at regional level according to the national law for the forests (public and private). In the majority of the other cases, which practically refers to several Italian RDPs, the intervention is circumscribed in rural areas where the presence of mountains is relevant (areas C and D according to the national classification). This approach in the Italian case is confirmed by some explicit statement in the measure objective about the improvement of MAs conditions and their economic development.

The intensity of the support given to the forestry investments in LFA areas is generally 10% higher than the reference level (on average, 60% of eligible expenditure against the 40-50% in non-LFA areas).

The same condition usually applies also to measure 112 (setting up of young farmers) where the majority of the RDPs (14 out of 21) have set different payment levels depending on farm location where the support for farms in mountain areas (and other LFA areas as well) is higher than the reference payment level (on average, +10%). When this mechanism is not applied, RDPs have at least to consider to give priority to young farmers setting up in mountain areas in the selection of the applications (in particular, this applies to several Spanish RDP).

Measure 125: Improving and developing infrastructure related to the development and adaptation of agriculture and forestry

Measure 125 aims to improve the infrastructure related to the development of the agricultural and forestry sector in order to enhance their competitiveness. The actions supported range from the improvement of access to farm and forest lands to water management and energy supply.

From the analysis of the 16 RDPs (4 MS in total: IT, PT, RO, ES) that explicitly or *de facto* target the measure at mountain areas, it is clear that there is a priority to restructure and develop the physical potential of disadvantaged areas; in several cases this is confirmed by a statement of specific operational objectives within the measure description. In the majority of the cases the Measure, specific sub-measures or even single specific actions (e.g. creation of water points in mountains in Italy-Marche, development of collective systems of irrigated plots in Portugal-Madeira, action for drought prevention in Italy-Bolzano) show targeting on these types of areas, among which mountain areas are relevant.

The link with mountain areas can be established through delimitation of the intervention (often referred to the national classification of rural areas, as in the case of the Italian RDPs), by giving priority to interventions in mountain areas or to specific sectors - as forestry – that are relevant in mountain areas.

Even more explicitly, some RDPs (in Spain in particular) have clearly defined different levels of support (both in terms of intensity/% of supported expenditure and expenditure limits) that ensure a higher intervention for mountain areas also with some differences according, for example, to the size of the municipality. In general, the range of support in terms of % of supported expenditure varies between 30% and 100%.

Measure 214: Agri-environment payments

Measure 214 aims at implementing Axis 2 objectives such as biodiversity preservation, quantitative and qualitative conservation of water resources, increase of biomass production and of environmentally friendly practices. Moreover, Measure 214 is complementary to measures of Axis 1, aimed at encouraging the use of organic and integrated agricultural production systems.

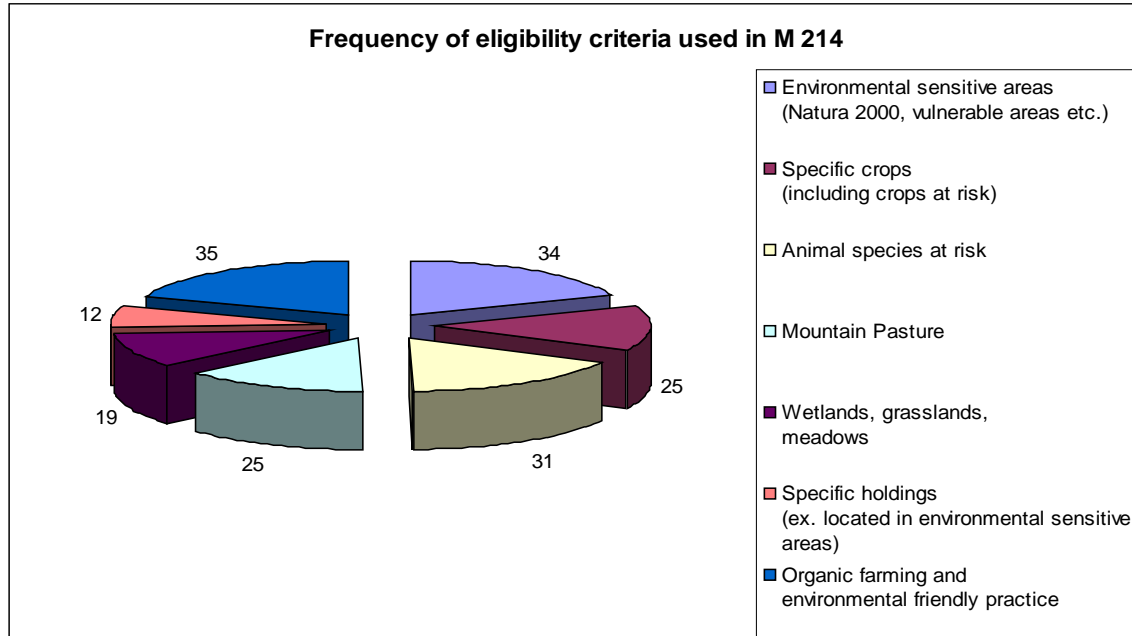
Measure 214 is the most frequently used among the other measures explicitly addressing the needs of mountain areas. According to the results of the screening it is included in 35 RDPs⁸.

When reviewing the applied measure eligibility criteria, type of intervention, aid level and type of beneficiaries, the analysis reveals a highly varied approach adopted by Member States. As far as eligibility criteria are concerned, 5 main types emerge, namely: (i) Environmental sensitive areas, which include Nature 2000 and vulnerable areas; (ii) Specific crops, when the measure has been applied to support a particular kind of crop (e.g. rye, wheat, barley) including endangered local crops; (iii) Animal species at risk, targeted at preserving native species (e.g. for Spain-Navarra bovines Betiz y Casta Navarra and others); (iv) Mountain pasture; wetlands, grasslands and meadows and specific holdings, for example those located in environmental sensitive areas; and, (v) Organic farming and environmentally friendly practices.

The analysis below shows a degree of variety in the eligibility criteria used for Measure 214. Overall the frequency of use of the five main eligibility criteria defined above is proportionately quite equal, with slightly less frequent use of criteria for specific holdings (used in 12 RDPs) and wetlands, grasslands, meadows (used in 19 RDPs). Moreover, the Member States RDPs exhibit quite a mixed approach in the choice of the eligibility criteria in countries such as: Czech Republic, France – Reunion, Germany – NW, Italia –Piemonte, Portugal – Madeira, Slovakia, Slovenia, Spain – Baleares – Navarra – Pais Vasco opting for a simple approach using just 1 main eligibility criteria. Whereas for RDPs in countries such as: France – Hexagone, Italia – Emilia Romagna – Friuli Venezia Giulia – Trento, Spain – Andalucia – Cataluña – Murcia, and UK – Scotland, more complex frameworks were established, opting for the use of 5 eligibility criteria.

⁸ In Sweden, the *Mountain Pasture* criterion “is included as one of 9 land types for the first specific action. As well as contributing to the halt in biodiversity loss by 2010, a further aim is to maintain the biodiversity and cultural values at 230 mountain holdings”. (Sweden RDP fiche).

In France Hexagone, the *Environmental sensitive areas (Natura 2000, vulnerable areas etc.)* criterion is selected because “Many environmentally sensitive areas (permanent grasslands, high nature value farmlands, particular habitats, ...) subject to measure 214 are located in mountain areas” (France – Hexagone RDP fiche).



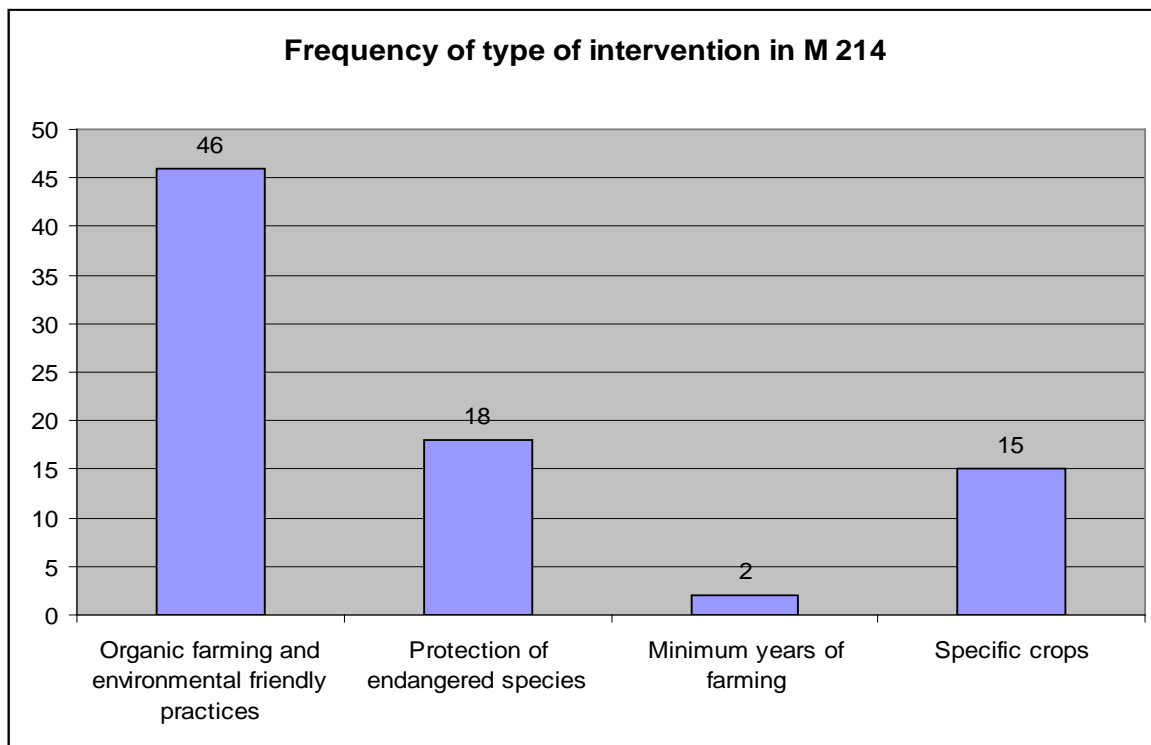
By analysing the type of intervention and the aid level, Organic farming and environmental friendly practices is the most frequent intervention (in 46 RDPs), followed by Protection of endangered species (in 18 RDPs) and Specific crops (in 15 RDPs), whilst the minimum years of farming is used only in 2 RDPs (Italia – Bolzano and Emilia Romagna). The different types of direct payment related to Measure 214 can be grouped as follows: according to eligibility criteria (France Hexagon does it for stocking density); according to crop/livestock units/other land use (e.g. Basilicata maximum € 450/ha for vineyards); according to mountain pastures with and without herdsman (Slovenia); for mountain cut meadows (Slovakia 128.88 EUR/ha). The table below provides three examples of specific payment levels for mountain beneficiaries in Italy – Veneto and Bolzano, and in Germany – Bavaria. Payment levels in general are variable ranging from under €100/ha to over €300/ha.

Examples of specific payment levels for mountain beneficiaries – Measure 214

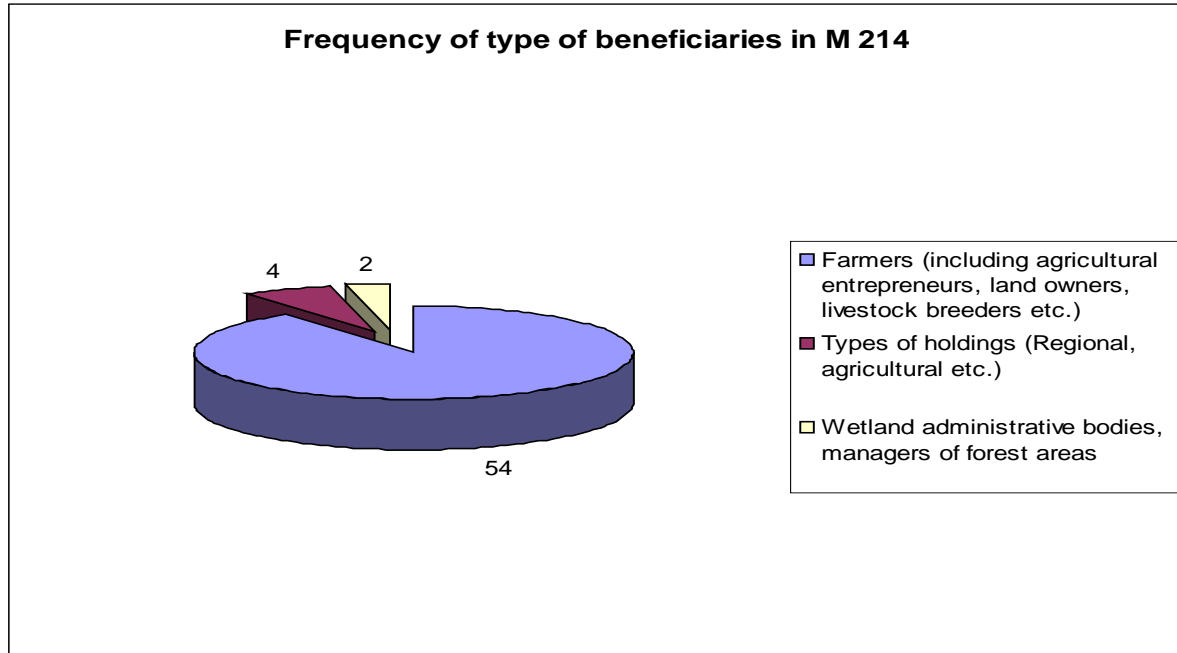
Italia – Veneto	Italia – Bolzano	Germany – Bavaria
Action 1 - Maintenance of stable meadows in non-vulnerable areas (incl. mountains): In mountain areas: EUR 217/ha.	The amount of aid must be EUR 360/ha for mountain meadows.	Ensure a proper management of grazing in the mountain, supervision by regular staff: <ol style="list-style-type: none"> 1. Per ha light meadow 90 euro/ha. 2. Per meadow/alps at least 675 euro. 3. Per herdsman max. 2750 euro.
Action 2 - Maintenance of stable meadows in vulnerable areas (incl. mountains): In mountain areas: EUR 171/ha.		Supervision without regular staff: <ol style="list-style-type: none"> 1. Per ha light meadow 45 euro/ha 2. Per meadow/alpen at

		least 335 euro - max. 1375 euro.
Action 3 - Maintenance of pastures and meadow-pastures in mountain areas: In mountain areas: EUR 85/ha 2/3 of financial resources are dedicated to mountain areas.		

The analysis shows that the most frequent type of beneficiary is 'Farmers' (in 54 RDPs), which includes agricultural entrepreneurs, land owners, livestock breeders, bee breeders etc. The other two types of beneficiary are: types of holdings (regional, agricultural etc.), wetland administrative bodies and managers of forest areas. France - Hexagon applies Measure 214 to all the 3 types of beneficiaries, Italia - Emilia Romagna to farmers and holdings, Portugal - Mainland to farmers and wetland administrative bodies, managers of forest areas, while all the other MS apply the measure to only 1 type of beneficiary, namely farmers.



Certain nuances can be seen when looking more closely at some specific examples for certain RDPs. For example in Portugal (Madeira) they have introduced specific eligibility criteria for conservation of typical kinds of stone walls; In Spain (Andalusia) the RDP placed emphasis on chestnut tree management; And in Scotland they have specific requirements for promoting Muirburn and Heather production.



Axis 2 forestry measures 221 and 226

The main aim of measure 226 (restoring forestry potential and introducing prevention actions) and measure 221 (first afforestation of agricultural land), is to contribute to Axis 2 objectives through the protection of the environment, the prevention of natural hazards, the preservation of the environmental and economic role of forests.

13 RDPs (4 MS: FR, IT, Pt, SK) have specifically targeted measure 226 or specific sub-measures/actions at mountain areas or at areas in which mountains assume a relevant role or, in general, at disadvantaged areas. The way in which the link with these areas is provided can be represented by a delimitation of the national/regional territory in which the measure can be applied (territorial targeting, often referring to the national classification for rural areas, e.g. Italian RDPs) or through a priority of the interventions. This criterion has been applied also in measure 221, but in a lower extent (3 RDPs out of 15).

In a few cases, the link with mountain areas is weaker. In one case, for example, ‘mountain authorities’ are listed among the potential beneficiaries of the measures (no further detail is given) while in another RDP (IT-Toscana), the measure description generically highlights the need of ‘preventing landslide nearby mountain creeks’.

Among the beneficiaries who can have access to the measure land owners (also in association), local authorities and public bodies are considered. In general the public support rate for the measure is set at 100% of the expenditures, but in the majority of cases this percentage can be reached only by public bodies or authorities while the support rate for privates is usually lower (70%-80%).

For measure 221, the approach followed in the most of the cases (9 RDPs) has been to guarantee higher level of support to MAs/LFA with an average increase of 10% of the basic rate of support (usually 70-80%).

Measure 311: Diversification into non-agricultural activities

Measure 311 and more in general measures under Axis 3 should contribute to the main priority of the creation of employment opportunities in rural areas in non-agricultural activities and services. Measure 311 foresees support to members linked to farm holding who diversify in non-agricultural activities.

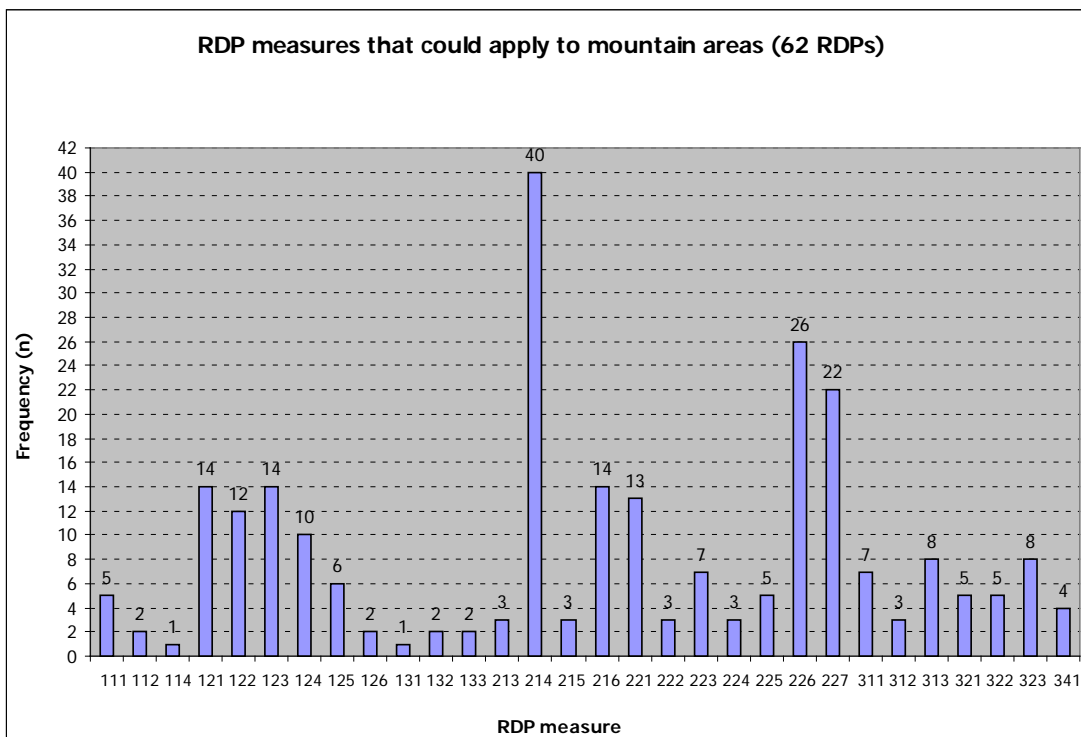
In this context the analysis shows that among the Axis 3 measures, measure 311 has been directly linked to the support of mountain areas in 19 RDPs (among which 16 Italian RDPs, FR-Reunion, Navarra and Cataluña for Spain). In practically all cases, this link is provided by an explicit targeting to mountain areas or areas where mountains are relevant such as disadvantaged areas and LFA that suffer of depopulation.

This targeting action has been translated to ensuring a priority for the actions to be carried out in these areas or even more through an exclusive application of the measure. This means that either farmers on other areas are excluded for the support, or the farmers in mountain areas are given priority during the selection of the projects.

From the economic support point of view, in those cases in which priority is given to mountain areas, farmers (or farmers' family members) can receive a higher % of total investment expenditures supported (e.g. 50% in LFA areas against the 40% in other areas or 45% in disadvantaged areas against the 35%).

When the measure is exclusively applied in mountain areas the support percentage varies from 30% to 75% according to different factors as area, type of farmer (e.g. young farmer), type of project (simple/integrated project).

3. Other measures which could apply to mountain areas (no explicit reference in the RDPs)



The analysis undertaken on 62 RDPs indicates that several RDP measures are considered to have a relevant role in supporting mountain areas even if no explicit reference is made about mountain farming in the RDPs.

30 measures potentially relevant to mountain areas have been identified at least once in the analysed RDPs, with measure 214 being identified in 40 different RDPs⁹. Other measures of Axis 2 have considered to have a particularly relevance are measure 216 and the forestry-related measures 226 and 227¹⁰.

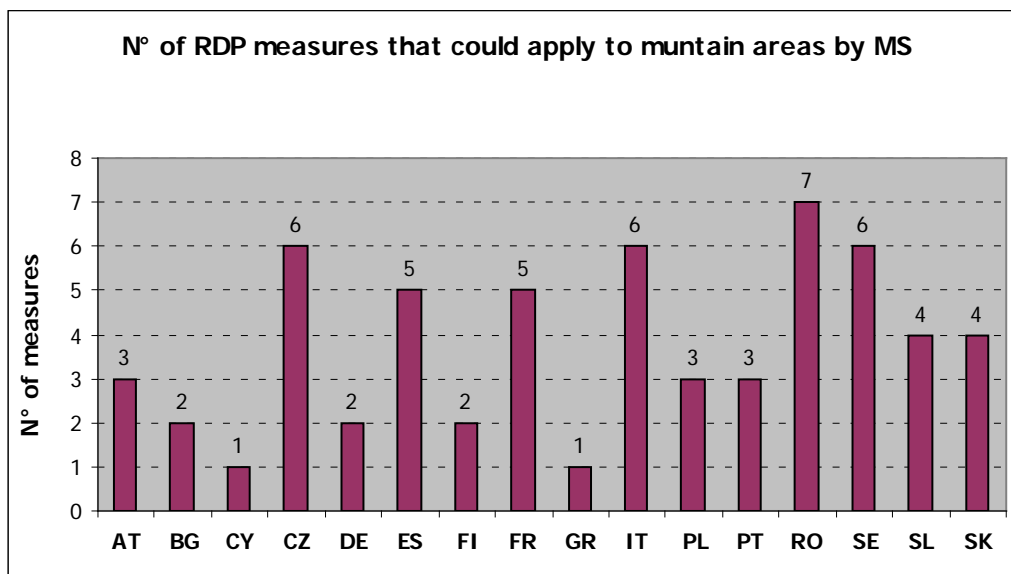
⁹ In Finland – Mainland, the *Organic farming and environmentally friendly practices* criterion is considered linked to MF because “Land in mountain areas are likely to be highly suited to extensive organic production systems”. (Finland – Mainland RDP fiche).

In France – Corse, *Specific crops (including crops at risk)* is selected because “except citrus fruits, most eligible endangered traditional plant species and local varieties (chestnut, olive, fig, grapes, onions, aromatic plants) are characteristic of mountain farming systems in Corsica”; *Animal species at risk* because “most eligible endangered traditional animal species (donkey, horse, cattle, goat, pig, bee), are characteristic of mountain livestock breeding systems in Corsica”; *Wetlands, grasslands and meadows* because “extensive use of grasslands is common to the whole mountain area”. (France – Corse RDP fiche).

¹⁰Where a measure does not have any sub-measure, it can explicitly make reference to mountain areas or not, i.e. be included in the analysis of section 2 or section 3. However, where a measure has several discrete sub-measures, one or more sub-measures may make explicit reference to mountain areas and other sub-measures may not do so but may also apply to mountain areas. Thus, such measure may be included in the analyses of both section 2 and section 3. For examples, Measure 214 is explicitly applied to mountain areas in 35 RDPs and implicitly in 40 RDPs.

The importance of the forestry sector is confirmed by the high frequency of measure 122 in Axis 1. In this axis the other most relevant measures are the ones related to investments (121 and 123) together with the measure on cooperation for the development of new product, processes and technologies. Among Axis 3 measures, measure 313 on encouragement of tourism activities is considered to have relevance in mountain areas in the largest number of RDPs, followed by measures 311 – diversification of agricultural activities and 323 – conservation and upgrading of cultural heritage.

In 11 out of the 16 MS considered in the analysis, at least one measure that could be relevant for mountain areas has been identified even if no specific reference is made in the related RDPs. In certain MS, for example, Romania, Italy, Sweden 6/7 different measures have been identified, 5 in Spain and France indicating that in these countries a further analysis could be undertaken in order to establish an eventual link between a strategy for mountain areas and the potential support given by the implementation of the RDPs measures identified¹¹.



NB: for the MS with regionalised programmes (ES, IT, FR, FL, PT) an average number of measures has been considered.

¹¹For the RDPs that refer to regions entirely classified as ‘mountain areas’, each measure can potentially be applied (i.e. be relevant) for mountain areas. These cases (as, for example, FR-Corse or IT-Trento) are not interested by the analysis related to Qn 2.3 of the RDP fiches.

ANNEX 3: Allocation of EAFRD programmed expenditure to Measure 211

(Countries/regions with mountain areas (According to Article 18 or Reg. 1257/99))

Country	Mountain area % of national territory (EEA, 2009)	UAA % in Mountain LFA	EAFRD programmed under Measure 211 (2007-2013)		Total EAFRD
	%	%	EUR million	% of total EAFRD	EUR million
AUSTRIA	74	50.4	832.2	21.3	3,911.5
BULGARIA	49	16.4	191.2	7.3	2,609.1
CYPRUS	46	12.6	4.2	2.6	162.5
CZECH REPUBLIC	33	28.2	304.0	10.8	2,815.0
GERMANY	16	2.1	108.5	1.3	8,107.2
Baden-Württemberg			19.4	3.2	610.7
Bavaria			87.2	7.0	1,253.9
North Rhine-Westphalia			1.8	0.6	292.5
Sachsen			0.2	0.0	926.8
SPAIN	54	33.7	248.6	3.5	7,088.3
Andalucía			22.4	1.2	1,881.7
Aragon			23.5	1.2	1,881.7
Asturias			25.7	8.7	295.1
Baleares			0.9	2.0	44.9
Canarias			1.0	0.6	153.3
Cantabria			17.4	23.0	75.7
Castilla-la-Mancha			42.5	4.6	924.5
Castilla y León			29.0	4.0	722.9
Cataluña			13.2	4.8	272.6
Extremadura			22.0	2.8	779.8
Galicia			28.1	3.3	856.5
Madrid			1.0	1.4	69.6
Murcia			3.4	1.7	206.0
Navarra			4.5	4.0	112.3
Pays Basque			6.3	8.0	78.1
La Rioja			2.0	3.9	51.1
Valencia			5.9	3.7	161.7
France	25	14.6	1,636.8	25.4	6,442.4
Hexagone			1,571.3	27.4	5,727.1
Corse			38.7	46.5	83.2
Guadeloupe			0.6	0.4	138.1
Martinique			5.5	5.5	100.1
Île de la Réunion			20.8	6.5	319.1

GREECE	72	53.9	260.8	7.0	3,707.3
ITALY	60	35.2	382.7	4.6	8,250.6
Abruzzo			15.6	9.2	168.9
Bolzano			23.9	17.4	137.6
Emilia Romagna			24.0	5.8	411.3
Friuli Venezia Giulia			15.9	14.6	108.8
Lazio			4.1	1.4	288.4
Liguria			6.5	6.1	106.0
Lombardia			31.3	7.9	395.9
Marche			7.6	3.7	202.3
Piemonte			23.6	6.0	394.5
Toscana			4.8	1.3	369.2
Trento			24.7	24.5	100.7
Umbria			7.5	2.2	334.4
Valle d'Aosta			19.7	37.7	52.2
Veneto			35.6	8.8	402.5
Molise			5.1	5.9	85.8
Sardegna			30.7	5.6	551.3
Basilicata			10.4	2.8	372.7
Calabria			16.7	2.7	623.3
Campania			50.1	4.6	1,082.3
Puglia			1.3	0.2	851.3
Sicilia			23.8	2.0	1,211.2
POLAND	5	1.3	0.0	0.0	13,230.0
Portugal	38	30.2	562.8	14.4	3,917.5
Continente			545.8	15.7	3,468.1
Madeira			17.0	9.7	175.0
ROMANIA	38	8.7	498.4	6.2	8,022.5
SWEDEN	21	10.8	0.0	0.0	1,825.6
SLOVENIA	76	69.5	189.5	21.1	900.3
SLOVAKIA	60	24	315.2	16.0	1,969.4
EU 27 (without Finland)		16.4	5,535.0	7.6	72,959.2

ANNEX 4: Summary Report on Italian Support for Mountain Farming

Executive summary

Over 54% of Italy is defined as mountain areas, clustered into three main zones, namely: the Alps in the North; the Apennine in the Centre; and several internal mountains in the regions of Southern Italy. The Italian NSP highlights some of the major problems affecting these mountain areas. In particular, it cites:

- o The lack of adequate strategic forestry planning and management;*
- o The strong fragmentation of property in mountain areas;*
- o The increased abandonment of mountain areas and of mountain farming/pastoral activities, that leads to a spontaneous return to nature/forest landscape patterns, with diminishing biodiversity values;*
- o The high soil vulnerability and fire risk of many mountain areas.*

In order to address these issues, the NSP proposes certain interventions mainly focused on maintaining farming activities in LFAs, preservation of biodiversity (particularly high value agro-forestry systems) and restoration of natural habitats. However, when comparing the NSP with the twenty-one RDPs it is clear that the NSP does not provide a sufficiently elaborated framework for addressing the problems of mountain areas/farming in Italy. And indeed none of the RDPs (with the exception of those classified entirely as mountainous) provide a strategic analysis or integrated programme for such areas. However, in broad terms, the content of the large majority of the RDPs addresses the key issues highlighted by the NSP, trying to avoid/reduce the abandonment of mountain areas and of mountain farming, and the lack of adequate/proper strategic forestry planning and management. This has been achieved predominantly through funding of Measure 211. Almost all the Italian RDPs have used Measure 211 as a major tool for addressing mountain farming/issues, with fairly similar eligibility and payment criteria, apart from the Regions entirely classified as mountainous that adopted a more sophisticated approach for both aspects (e.g. adopting a complex more payment formula, allowing them to take into account a wider range of factors).

However, the analysis of the funding of Measure 211 and of the other measures directly addressing mountain farming shows relevant differences between regions/areas. The budget allocated to Measure 211 varies from 0,7% in Puglia to 21,9% in Valle d'Aosta and Trento, while the RDP budget spent on all the relevant measures varies from 4,8% (Sicilia) to 89,5% (Trento). Northern regions (Piemonte, Lombardia, Veneto, Trento, Bolzano, Aosta) devoted far larger resources to mountain-related measures, whereas most other Regions allocated only minor amounts to this sector (both in terms of funds spent on n.211 and on all other mountain-relevant measures), non-withstanding the high presence of mountain areas in their territory.

The RDPs approach to solving the problems highlighted by the Italian NSP is usually two-sided, namely: (i) Support for diversification-oriented measures, namely Measure 311 (Diversification into non-agricultural activities), used in 17 RDPs; Measure 313 (Incentives for Tourism activities), used in 12 RDPs; Measure 321 (Basic services for

rural economy and population), used in 11 RDPs; Measure 323 (Conservation and upgrading of the rural heritage), used in 11 RDPs; and (ii) Support for Forestry-improvement, namely Measure 125 (Infrastructures linked to the development of farm and forestry) used in 10 RDPs; Measure 121 (Modernisation of agricultural holdings); Measure 214 (Agri-Environment payments); and Measure 226 (Restoration of forestry potential and preventive interventions). Other measures that indirectly or potentially address mountain farming/issues include: Measure 122 (Economic Exploitation of forestry); Measure 123 (Increase in the added value of farm and forestry produce); Measure 124 (Cooperation for the development of new products / processes); Measure 216 (Non-productive investments); Measure 221 (First afforestation of agricultural land); & Measure 227 (Support to non-productive investments in forestry areas).

Main Summary Report on Italian Support for Mountain Areas, based on screening of 2007–2013 National Strategy Plan (NSPs) and 21 Rural Development Programmes (RDPs)

1. The NSP and its consistency with the RDPs with respect to mountain farming:

Italy is a country with a relevant presence of Mountain areas with 54,3% of the overall surface defined as mountainous, according to the latest available data (2004, ISTAT-National Statistical Bureau). These mountain territories can be broadly distinguished in three types of areas:

- The Alps area, interesting Northern Italy (e.g. regions such as Liguria, Piemonte, Valle d'Aosta, Lombardia, Veneto, Friuli V.Giulia, and the Provinces of Trento-Bolzano);
- The Apennine area, representing the backbone of Central Italy (e.g. regions such as Emilia-Romagna, Toscana, Umbria, and partially Lazio);
- Other Regions, mainly in Southern Italy, where mountains tend to be located in internal parts of regional boundaries (Abruzzo, Molise, Puglia, Basilicata, Campania, Calabria, Sicilia, Sardegna).

The Italian NSP basically highlights the current, major problems of mountain areas, briefly outlining some intervention approaches. In particular, among the perceived issues at stake, it underlines:

- The lack of adequate/proper strategic forestry planning and management;
- The strong fragmentation of property in mountain areas;
- The increased abandonment of mountain areas and of mountain farming/pastoral activities, that leads to a spontaneous return to nature/forest landscape patterns (often with diminishing biodiversity value);
- The high soil vulnerability and fire risk of many mountain areas.

In order to address these issues, the NSP proposes to preserve the maintenance of farming activities in LFAs (mainly via compensation allowances, but also by the implementation of other measures), and to concentrate resources in such areas, and in non-production investments. The preservation of biodiversity features and of high value agro-forestry systems should also be part of the RDPs strategy (e.g. by preserving semi-natural habitats, by developing ecological corridors, by restoring natural habitats).

The comparative analysis of the NSP and of the 21 Italian RDPs leads to the following conclusions:

- 1) The NSP does not provide a detailed and comprehensive framework for addressing the problems of mountain areas/farming in Italy;
- 2) None of the various Italian RDPs (exception given for the 3 produced by Regions/Provinces that are entirely classified as mountainous, namely Valle d'Aosta, Bolzano, Trento) includes a strategic analysis/programme for such areas;
- 3) However, in broad terms, the content of the large majority of the RDPs addresses the key issues highlighted by the NSP, trying to avoid/reduce the abandonment of mountain areas and of mountain farming, and the lack of adequate/proper strategic forestry planning and management, by funding key Measure 211 and other measures that aim at

achieving these goals. These characteristics will be further described in the following paragraphs, from where it basically emerges that there is a great difference between the relevance of mountain issues and the corresponding funding approach in each Region.

2. The use and application of Measure 211 and/or 212:

The analysis of the implementation of measures 211 and 212 in Italy proves fairly interesting. First, it is noted that 13 Regions out of 21 implemented the second measure, but only 6 of them with a “significant” level of funding (that is to say more than 1% of overall RDP budget). These were Regions of Southern and Central Italy where a large part of the territory is less advantaged, although not located in mountain areas. Therefore, it emerges that Measure 211 represents the key tool chosen to provide compensation payments to farmers operating in mountain areas, while Measure 212 only plays a minor role. Table 1 highlights the main characteristics of the of the implementation of measure 211 in terms of funding, whilst Table 2 presents the key features of the measure implementation for what concerns its eligibility/payments requirements.

Table 1: Implementation of Measure 211

RDP	% of RDP budget	Total cost of measure 211(€)	Target (ha)	€/ha	n.212	Rank (€/ha)	% Mountain
Italy - Abruzzo	9.2	35,509,700	90,000	395	Y (min)*	17	76.6
Italy - Basilicata	2.7	17,743,158	35,000	507		15	71.3
Italy - Calabria	2.7	29,000,000	79,670	364	Y	18	65.7
Italy - Campania	4.6	87,198,219	50,000	1,744	Y	1	56.4
Italy - Em. Rom.	6.4	59,445,768	67,000	887	Y (min)*	9	38.5
Italy – FVG	14.6	36,129,941	23,500	1,537		3	56.9
Italy – Lazio	1.4	9,241,395	11,170	827	Y (min)*	12	44.2
Italy - Liguria	5.3	14,763,727	11,000	1,342	Y (min)*	4	81.5
Italy - Lombardia	7.9	71,132,243	70,000	1,016		7	43.3
Italy - Marche	3.8	17,460,000	53,430	327	Y (min)*	19	59.0
Italy - Molise	5.9	11,500,000	13,143	875	Y	11	78.7
Italy - Piemonte	6	53,545,455	75,000	714		13	51.8
Italy - PA Bolzano	17.4	54,381,175	60,000	906		8	100.0
Italy - PA Trento	21.9	56,092,118	50,000	1,122		5	100.0

Italy - Puglia	0.7	3,500,000	7,666	457	Y	16	24.8
Italy - Sardegna	8.8	69,861,816	117,000	597	Y	14	74.5
Italy - Sicilia	1.5	33,000,000	29,950	1,102	Y (min)*	6	36.7
Italy - Toscana	1.3	11,000,000	80,000	138	Y	21	47.3
Italy - Umbria	5.2	16,996,682	85,000	200	Y	20	85.8
Italy - V. d'Aosta	21.9	44,697,562	51,000	876		10	100.0
Italy - Veneto	8.8	80,927,795	47,227	1,714		2	32.0
National Average	7.52	38,720,322		840			63.10

*N.B. Identifies a situation where measure 212 was only minorly funded (less than 1% of RDP budget)

Table 2: Eligibility /payment criteria for Measure 211

RDP	Eligibility Criteria								Payment criteria			
	Altitude	Slope	Combined altitude & slope	Agricultural holding size	UAA	IACS area	Commitment to continue farming activities	Other criteria	Livestock units	Type of cultivation	Area size	Localisation
Italy - Abruzzo			x	x	x		x	x		x	x	
Italy - Basilicata			x	x	x		x	x			x	
Italy - Calabria			x	x	x		x	x			x	
Italy - Campania			x	x	x		x	x			x	
Italy - Em. Rom.												
Italy - FVG			x	x	x		x	x		x		x
Italy - Lazio			x	x	x		x	x			x	
Italy - Liguria			x	x	x		x	x		x	x	
Italy - Lombardia												
Italy - Marche			x	x	x		x				x	
Italy - Molise			x	x	x		x				x	
Italy - Piemonte			x	x	x		x					
Italy - PA Bolzano												
Italy - PA Trento	x	x	x	x	x		x			x	x	x
Italy - Puglia			x	x	x		x	x		x		
Italy - Sardegna			x	x	x		x			x	x	
Italy - Sicilia			x	x	x		x	x		x	x	
Italy - Toscana			x	x	x		x	x			x	
Italy - Umbria			x	x	x		x			x	x	
Italy - V. d'Aosta	x		x	x	x		x	x		x	x	x
Italy - Veneto												
Totals	2	1	17	17	17	0	17	11	0	9	14	3

From the analysis of such tables it can be concluded that:

- a) The funding rate of the measure compared to the overall RDP budget tends to vary widely from Region to Region: it varies from 0,7% in Puglia to 21,9% in Valle d'Aosta and Trento (both last areas entirely classified as mountainous). Therefore, in broad terms, this variation reflects the relative presence of mountain in the regional territory at stake, but this appears only a loose link, not a proportional one. The national average appears quite low (7,5% of overall RDPs budget is devoted to the measure);
- b) The relative weight of funding channelled via measure 211 does not always mean that a given Region provides a relevant payment to mountain areas. In order to

better assess this aspect, we calculated the ratio between the payment amount/amount of targeted area (number of foreseen ha). This ratio enables to rank all RDPs/Regions in terms of actual, average payment provided, and it shows that, again, large variations are at stake: from 137,5 €/ha (Marche) to € 1.743,9 (Campania). Northern Regions usually fund the payment/ha far more than Southern ones (Campania and Sicilia represent notable exceptions to this rule-please see below for further explanation). This payment pattern broadly reflects the socio-economic differences at stake in different Italian regions: in Southern Italy the cost of living and the cost of adopting certain farming practices tends to be lower in disadvantaged areas compared to other Regions, therefore the unitary value of the compensation payment can stay reasonably low. However, it remains questionable if a unitary payment of less than 500 €/ha (as 6 Regions do) can actually support certain farming practices in mountain areas.

- c) The large majority of Italian RDPs show a similar pattern when dealing with the eligibility criteria of measure 211: they rely on a mix of slope/altitude, holding size and minimum UAA, with the requested commitment from farmers to keep cultivating the land for 5 years. Approximately half of the RDPs (12 out of 21) also dictate some requirements concerning additional factors (most usually the ratio between AAU/ha, that must stay within a given range, ensuring that livestock-raising remains a sustainable activity). Only two areas entirely declared as mountainous (Trento and Valle d'Aosta) add some specifics concerning altitude and/or slope.
- d) A less homogenous pattern emerges when handling the characteristics of payment. Although almost all RDPs link such payment with two parameters (type of cultivation- 18; and areas size-13 Regions), some (6) involve also some Localisation elements, and three Regions other criteria (this, again, tends to distinguish the Regions/Provinces entirely classified as mountainous). In particular, the Provinces of Bolzano and Trento both calculate the final payment basing on a complex formula taking into account a wide range of factors. In other words, it appears that the areas where mountain territory represents a higher part tend to adopt more sophisticated ways to handle the payment linked to measure 211.

3. Measures explicitly addressing the needs of mountain areas/mountain farming:

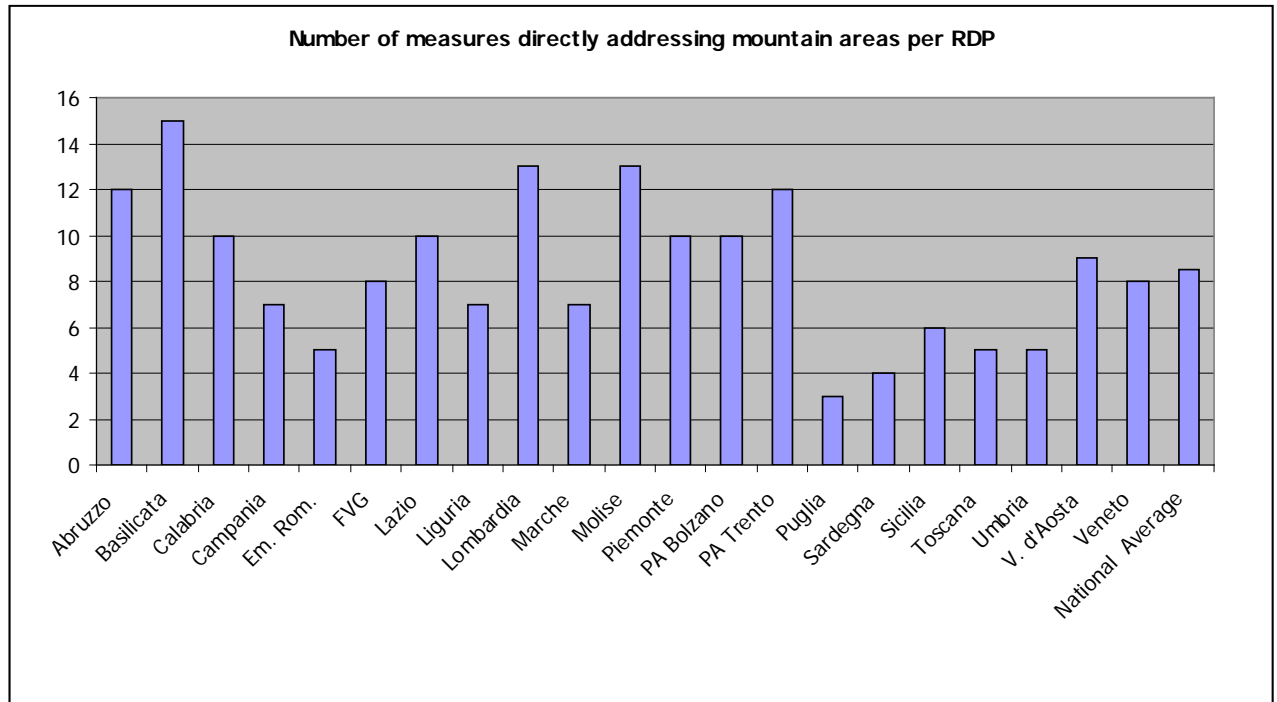
The overall framework of support for mountain areas becomes clearer to depict once the implementation of measure 211 is considered together with the implementation of the other measures supporting mountain areas/farming. From the analysis of all the Italian RDPs it appears clear that the following measures, more often than others, are used as a tool to address mountain issues:

- o Measure 311 (Diversification into non-agricultural activities), used in 17 distinct RDPs;
- o Measure 313 (Incentives for Tourism activities), used in 12 RDPs;
- o Measure 321 (Basic services for rural economy and population), used in 11 distinct RDPs
- o Measure 323 (Conservation and upgrading of the rural heritage), used in 11 RDPs;
- o Measure 125 (Infrastructures linked to the development of farm and forestry) used in 10 RDPs;
- o Measure 121 (Modernisation of agricultural holdings); used in 9 RDPs;

- Measure 214 (Agri-Environment payments) used in 9 RDPs;
- Measure 26 (Restoration of forestry potential and preventive interventions) used in 9 RDPs

These elements confirm that Italian RDPs usually adopt a two-way approach to support mountain farming/resiliency, based on promoting income diversification by valorising local resources for tourist purposes, and on improving current forestry practices/management, in order to make such sector a pivot for social/economic development. Measures like 121 and 214 played a major role mainly because of their strong funding and relative, large width of scope, enabling also mountain subjects to be as beneficiaries of their action.

Graph 1: Number of direct measures in support of Mountain areas per RDP (Italy)



For measure 214 (which in all cases is financially significant), it appears that it offers a wide and regionally diversified set of options for sustainable farming practices (usually prioritising environmentally sensitive zones). In this perspective measure 214, addresses certain specific mountain issues (e.g. conservation of agri-biodiversity, especially rare domestic animal species). Payment rates/amounts appear fairly similar and the majority of Regions mainly supported organic farming compared to other actions (with a few exceptions to this rule, where payments for the so-called “integrated agriculture” were higher).

For what concerns the “Diversification ” trail (exemplified by measure 311 to 323), more common initiatives relate to the restoration of existing historical/rural heritage and to the setting-up of new, small scale activities, usually oriented towards the rural tourism sector; the provision of small-scale infrastructures concerning roads, water and electricity (and in some Regions also ITC) complemented this general approach. The Forestry part of the mountain “revitalisation” trail usually involved the promotion of innovative investments in the wood cutting/processing sectors; the conversion of low-value woodland to higher value one; and the improvement of woodland for biodiversity purposes, and/or for preventing soil and fire risks.

Table 3: Comparison of % budget allocation & % Mountains by region

RDP	Number of measures	% budget	% Mountain	Geographical system
Abruzzo	12	47	76.6	Internal Mountains
Basilicata	15	64.1	71.3	Internal Mountains
Calabria	10	36.4	65.7	Internal Mountains
Campania	7	36.5	56.4	Internal Mountains
Em. Rom.	5	37.6	38.5	Apennine Mountains
FVG	8	36.2	56.9	Alps Mountains
Lazio	10	34.5	44.2	Internal Mountains
Liguria	7	14.2	81.5	Alps Mountains
Lombardia	13	65.6	43.3	Alps Mountains
Marche	7	14.4	59	Apennine Mountains
Molise	13	62.2	78.7	Internal Mountains
Piemonte	10	54.9	51.8	Alps Mountains
PA Bolzano	10	80.8	100	Alps Mountains
PA Trento	12	89.5	100	Alps Mountains
Puglia	3	6.1	24.8	Internal Mountains
Sardegna	4	11.2	74.5	Internal Mountains
Sicilia	6	4.8	36.7	Internal Mountains
Toscana	5	33.4	47.3	Apennine Mountains
Umbria	5	17.5	85.8	Apennine Mountains
V. d'Aosta	9	69.4	100	Alps Mountains
Veneto	8	61.5	32	Alps Mountains
National Average	8.5	41.8	63.10	

Table 3 above indicates how different Regions performed this overall approach, comparing the actual allocation of funds with the relative weight of mountain in their territory. Based on this analysis, four clusters of regions can be defined, namely:

- 1) Regions where the RDP budget allocated to the measures directly addressing mountain issues is higher than the relative percentage of mountain territory, and the unitary payment (€/ha) associated to measure n.211 is higher than its national average: it includes Lombardia and Veneto.
- 2) Regions where the RDP budget allocated to the measures directly addressing mountain issues is higher than the relative percentage of mountain territory: it only includes Piemonte.
- 3) Regions that choose to concentrate their efforts for addressing mountain issues on the implementation of measure 211, whose the unitary payment (€/ha) is higher than its national average, while the overall expenditure in other measure is low: it includes Liguria, Friuli Venezia Giulia, Campania, and Sicilia (we recall that the latter two had the highest rate of unitary payment for measure 211).
- 4) Finally, a (large) group of Regions characterised both by a reduced budget allocated to measures addressing mountain issues (far lower than the % of mountain territory), and by low unitary payments associated to the implementation of measure 211: Abruzzo, Calabria, Molise, Puglia, Sardegna, Marche, Umbria, Toscana.

We deemed appropriate not to include the three areas entirely classified as mountainous in this particular assessment, because all of their RDP measures might be considered, for several reasons, directly addressing mountain farming/issues. As a conclusion, these data show that the main Regions in the Alps tended to devote a larger amount of resources to the mountain sector, while the large majority of the other Regions, even the ones with percentages of mountain territory overcoming 50% of total, adopted a rather narrower approach.

4. Other measures which could apply to mountain areas:

The analysis of the previous paragraph clarifies the bulk of the issues at stake, yet it is useful to examine also the wide group of other measures, indirectly or potentially playing apart for addressing mountain farming/issues. Table (RDP other measure of the Quality check) identifies all the measures in such position, with examples of their common uses. It emerges that these were the other key measure, more often found in each RDP as ancillary tools to address mountain issues:

- Measure 122 (Economic Exploitation of forestry), used in 9 RDPs;
- Measure 123 (Increase in the added value of farm and forestry produce), used in 8 RDPs;
- Measure 124 (Cooperation for the development of new products/ processes) used in 8 RDPs;
- Measure 216 (Non-productive investments), found in 6 RDPs;
- Measure 221 (First afforestation of agricultural land) used in 4 RDPs;
- Measure 227 (Support to non-productive investments - forestry areas) used in 4 RDPs.

These measures share most of the rationale lying behind the measures already identified in the previous paragraph: the forestry sector undoubtedly plays a major role for mountain areas, therefore its development/improvement (e.g. Measures 122 and 123, both more production-oriented) seems of extreme relevance; and investments that at the same time conserve environmental resources like landscape and biodiversity, while representing an asset for tourist attraction and/or public enjoyment (see Measures 216 and 227) surely contribute to overall mountain resiliency.

ANNEX 5: Summary Report on Spanish Support for Mountain Farming

Executive summary

Spain is a country well known for its wide plains but it also includes a significant portion of mountain areas (54% of the national territory, EEA 2009).

In overall terms, the RDPs appear to be highly consistent with the NSP framework developed for Spain. The NSP highlights a wide range of challenges in mountain areas including demographic change; land abandonment; soil erosion; remoteness/accessibility; lack of competitiveness; risk of fire and deforestation. It also highlights certain opportunities that exist in certain mountain areas including protection of landscapes and traditional animal husbandry. It also elaborates the proposed policy responses, including the need to support handicapped/disadvantaged areas, ensure environmental protection and sustainability and protection of forests. Significantly, it specifically stresses the importance of two measures in support of mountain areas, namely Measure 112 (Setting up of young farmers) and Measure 114 (Use of advisory services by farmers and forest holders). For both of these measures the main eligibility criteria is defined as the location in handicapped/disadvantaged areas. This detailed strategic framework appears to have been transferred into most RDP frameworks. However, when analysing individual measures, and their relative weight of funding within RDPs, a more complex picture emerges.

Concerning the implementation of Measure 211, all regions adopted a mixed approach, in terms of eligibility criteria, based on a wide number of factors, often applying a rather sophisticated formula, aimed at promoting improved targeting to those most in need of such support. This approach partially explains why the funding allocations for this measure are relatively low in all the RDPs (compared to some other MS – e.g. Italy), varying from 0,8 (Andalucía) to 13,% of overall budget (Cantabria), with the highest levels usually found in regions with higher presence of mountain territory.

The higher use of other measures, usually horizontal (e.g. 214, 112, 121, 114, 221) which on average, exceed the relative amount of designated mountain areas in each region, appear to reflect a broader strategic approach adopted by Spain that seeks to support mountain areas primarily through investment in modernising of existing farming/forestry practices, rather than promoting rural/farm diversification towards other income sources (e.g. tourism). This approach appears to offer a marked contrast

in the approach adopted by other Mediterranean countries (e.g. Italy) which have tended to favour farm/rural diversification.

The actual use, impact and overall effectiveness of supporting mountain areas through the use of such measures is not fully clear, based on the current desk based research, requiring more detailed analysis to understand the relative merits of this approach over other strategies (ideally combining quantitative analysis of funding with a number of targeted case studies).

Main Summary Report on Spanish Support for Mountain Areas, based on screening of 2007–2013 National Strategy Plan (NSP) and 17 Rural Development Programmes (RDPs)

1. The NSP and its consistency with the RDPs with respect to mountain farming:

The Spanish National Strategic Plan (NSP) explicitly refers to mountain areas/mountain farming in a number of areas, highlighting the need to limit the surface area and the number of the recipients of aid related to mountain areas to those that need support most. The overall objective of the NSP in this respect is to improve both the structure and targeting of support to mountain areas. Priority is to be defined in terms of the key physical and/or socio-economic criteria. Therefore, the related RD programmes are required to establish “levels of unitary payments dependent upon the number of hectares to help...a minimum and a maximum for exploitation of the area in hectares [and of the cattle load on the surface entitled to receive the aid, together with the use of traditional practices for managing the cattle]” (*NSP summary fiche*). The NSP also highlights the aim of biodiversity preservation “and [of] favouring the development of forest ecosystems and management of the natural space compatible with the environment”.

In overall terms, the RDP's appear to highly consistent with the NSP framework. The NSP highlights a wide range of challenges in mountain areas including demographic change; land abandonment; soil erosion; remoteness/accessibility; lack of competitiveness; risk of fire and deforestation. It also highlights certain opportunities that exist in certain mountain areas including protection of landscapes and traditional animal husbandry. And it then elaborated the proposed policy responses, including the need to support handicapped/disadvantaged areas, ensure environmental protection and sustainability and protection of forests. Significantly, it specifically stresses the importance of two measures in support of mountain areas, namely Measure 112 (Setting up of young farmers) and Measure 114 (Use of advisory services by farmers and forest holders). For both of these measures the main eligibility criterion is defined as the location in handicapped/disadvantaged areas.

It would appear that the more detailed analysis and elaboration of mountain areas issues/problems and opportunities defined in the NSP and the policy responses which are also outlined provided a more clear guide to all RDPs in the type of support which should be promoted to support mountain areas. However the analysis of individual measures and their relative weight of funding reveals a more complex picture (see following sections below).

2. The use and application of Measure 211 and/or 212:

The analysis of the implementation of Measures 211 and 212, and comparison with the selection and support provided for other measures addressing mountain farming/areas and challenges in Spain reveals some interesting results.

14 Regions implement Measure 211 (although 6 of them only with limited funds) and only Murcia opted for Measure 211 and 212 merged. In terms of eligibility criteria adopted for Measure 211, a mixed approach based on a wide number of factors is clearly evident, since all the available criteria (in some cases even the average rainfall rate) have been used, with the exception of the IACS area approach. Also of significance, it appears many regions (7 RDPs) chose to calculate the payment via a specific and sophisticated formula that usually corresponds to: $Aid = covered\ area\ (has) \times [base\ (\text{€}/ha) \times Coefficients]$. Many regions (5 RDPs) that chose not to adopt this formula still established somewhat complex methods to calculate payments for Measure 211 implementation (usually with particular attention to territorial / orographic factors), in line with the NSP requirement to ensure improved targeting to areas and beneficiaries most in need of support.

However, when looking at the financing rate of the measure reported in Table 1, we see that it is usually quite low (national average equal to 3,4 % of RDP budget), with few exceptions logically represented by regions with a high presence of mountain areas in their territory (Asturias, Pais Vasco, Cantabria).

Table 1: Characteristics of the expenditure on measure n.211 in Spanish RDPs

RDP	211 % on RDP budget	% of all Mountain measures	% Mountain	No. of measures	Measure no.212
Spain – Andalucía	0.8	21.5	37.7	8 (12)	Y (min)*
Spain – Aragón	4.3	33.9	33.9	8(10)	Y
Spain – Canarias	0.4	9.2	79.4	4 (7)	Y (max)
Spain – Cantabria	13.5	53.8	83.5	6 (10)	
Spain - Castilla La Mancha	5.6	38.3	23.5	6 (8)	Y
Spain - Castilla y León	3.4	45.2	32.4	5(8)	Y (max)
Spain – Cataluña	4.2	60.4	41.4	11(13)	Y (min)*
Spain - Comunidad Foral de Navarra	2.5	63.4	38.8	10(14)	Y (min)*
Spain - Comunidad Valenciana	2.3	35.9	24.2	5 (7)	Y (min)*
Spain - Extremadura	2.8	36.5	8.8	7 (10)	Y
Spain – Galicia	3.3	43.6	36.7	10(13)	Y (min)*
Spain - Illes Balears	2	61.8	15.6	5	Y
Spain – Madrid	1.3	60.2	24.4	7 (13)	

Spain – Murcia	3.8	63.4	30.4	6 (13)	211/212
Spain - Pais Vasco	8.1	44.3	78.2	7 (10)	Y (min)*
Spain - Principado de Asturias	9.6	36.9	91.9	6 (8)	Y
Spain – Rioja	4	45.2	42.9	8 (14)	
National Average	3.42	44.32	42.57	7 (9,9)	

As a consequence, we can conclude that the majority of the Spanish Regions fully implemented the approach outlined in the NSP ("*...the need of diminishing the surface of the area and the number of the recipients of aid related to mountain areas*"), adopting stricter rules to limit the provision of unitary payments via tools like measure 211; this approach appears softened only in those Regions where mountain areas play a major role. Moreover, the financing trend of measure 211 appears broadly corresponding to the relative relevance of mountain areas in each Region, with a few exceptions: Andalucía and Canarias (where the funding rate is much lower than the mountain presence); Extremadura and Castilla y Leon (where it is quite higher, compared to it).

When comparing these data with another major Mediterranean country, like Italy, it appears clear that Spain preferred to limit the use of measure 211 (and of 212) for dealing with mountain issues, devoting more resources/strategic importance to a range of agriculture and forestry oriented support measures (as elaborated upon below).

3. Measures explicitly addressing the needs of mountain areas/mountain farming

The overall strategic framework of the Spanish regions becomes easier to describe once the implementation of Measure 211 is considered alongside the implementation of the other measures directly/indirectly supporting mountain areas/farming. From the analysis of all the Spanish RDPs it appears clear that the following measures were more often used as a tool to directly address mountain farming/issues:

- Measure 214 (Agri-Environment payments), used in all the 17 RDPs;
- Measure 112 (Entry of Young farmers), used in 16 RDPs;
- Measure 121 (Modernisation of agricultural holdings), used in 14 RDPs;
- Measure 114 (Use of advisory services by farmers and forest holders), used in 10 RDPs;
- Measure 221 (First afforestation of agricultural land), used in 9 RDPs.

The above mentioned list confirms the fundamental coherence of all RDPs with the NSP, particularly regarding the importance attributed to Measures 112 and 114 (see above). However, both these measures are mainly horizontal in nature and with only limited focus/application in mountain areas (given the low levels of population and demographic changes experienced in many areas).

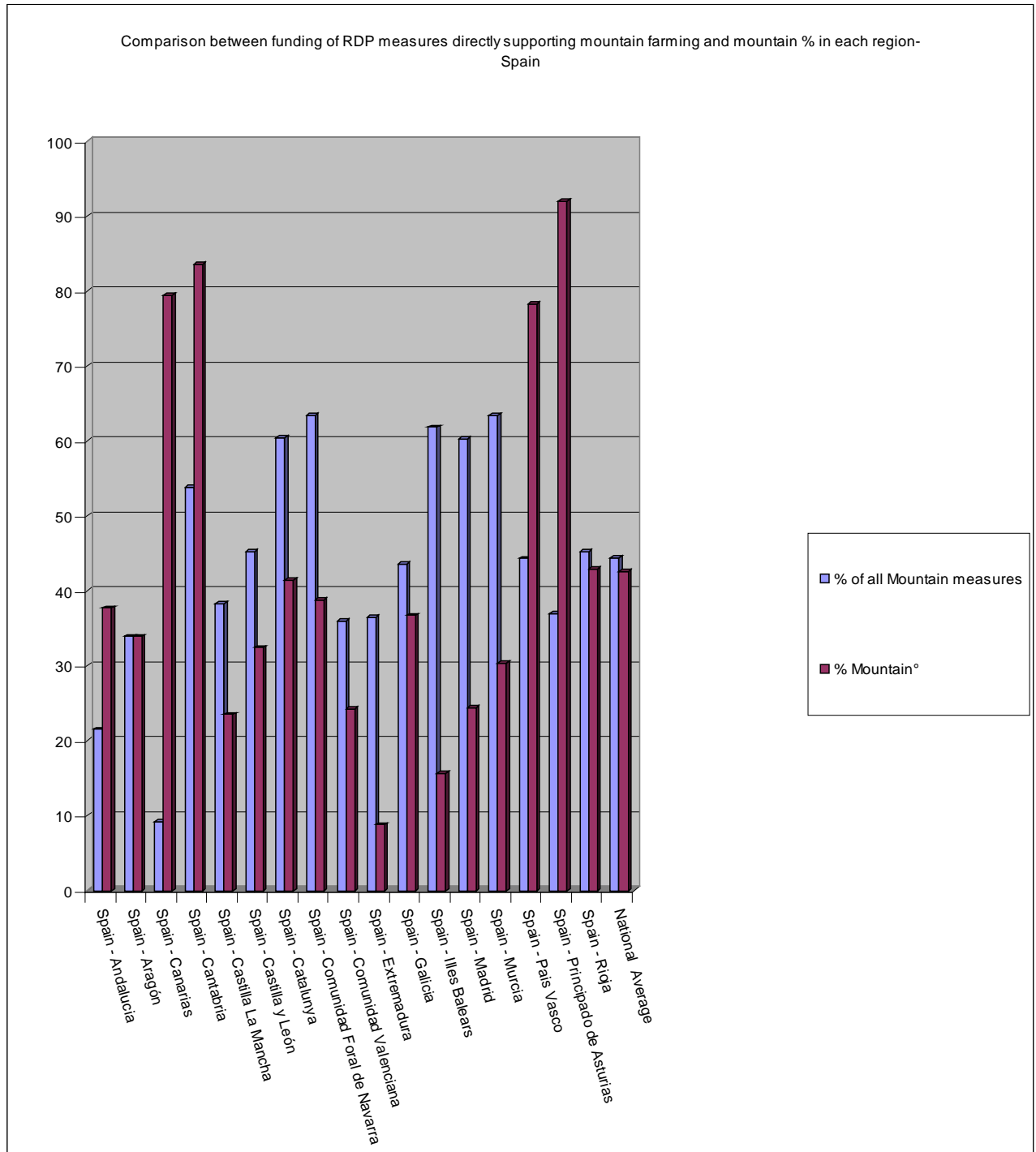
But even more important is that these data, together with the ones regarding the measure indirectly handling mountain issues, indicate that the Spanish RDPs usually adopted an approach to support mountain farming/areas based far more on market linkages, promoting modernisation of existing farming and forestry structures in those

areas wherever possible. The benefits and overall impact of this approach remain unclear (based on this desk based research).

When making regional comparisons, such as with Italy, it is evident that the approach is quite different. Italian RDPs mainly promoted income diversification in mountain areas by valorising local resources for tourism and biodiversity purposes (hence the great importance attributed to most measures listed in axis 3). Although they also shared the Spanish approach in supporting measures to improve forestry practices/management.

When looking at the data reported in table 1 there may be the doubt that the strong role apparently played by measures like 121 and 214 may be over-valued, taking into account that both these measures share quite broad scopes and wide actions ranges. However, in order to limit this risk, the funding values reported in the table have been broadly adjusted to the specific actions outlined as significant in the previous analysis.

Chart 1: Comparison between funding of RDP measures directly supporting mountain farming and mountain % in each region-Spain



There is no evidence that where regions provided less funds for Measure 211 that this was somehow “compensated” by increasing support for other measures such as 214 (whose relative funding shows quite large variations from Region to Region). Rather it appears that all regions that chose only limited funding in support of Measure 211 also show relatively low support for Measure 214 (e.g. Andalucía, Canarias, Comunidad

Valenciana, Madrid). Therefore, the choice of adopting Measure 214 as a tool for handling mountain issues in preference to 211 has no correlation and is subject to very specific regional contexts and variations.

Further, when considering the total number of measures adopted it appears that many regions chose only a limited number of measures in order to directly address mountain farming/issues. And when comparing the relative presence of mountain areas in each region, it appears that the Spanish RDPs devoted a larger amount of resources to these areas. Moreover, the majority of regions (12) implemented many measures able to sustain mountain farming at a greater rate compared to the percentage of mountain present in their territories. Although taking into account that this result depends mainly on some quite wide-scoped measures (121, 214), it seems a fairly significant finding.

4. Other measures which could apply to mountain areas:

When analysing the group of other indirect measures potentially playing a part in supporting mountain farming/ mountain area issues it appears that the available measures is somewhat narrow, comprising mainly two measures, namely:

- Measure 226 (Restoring forestry potential/preventative actions), used in all 17 RDPs;
- Measure 227 (Support to non-productive investments- forestry areas), used in 16 RDPs.

Other measures such as Measure 221 and 216 come a long way after, being found only in 5 RDPs each; and all the other highlighted measures are used only in 1 or 2 RDPs. Once more, measures from axis 3 are rarely included. Only Rioja and Navarra seem to devote some attention to them.

This strategic pattern of chosen measures may pose some problems. For instance, the limited attention paid to rural tourism within a mountain approach may appear risky, because the efforts made for promoting farm and forestry improvement in mountain areas may prove achieving only modest results. The issue of multi-functionality of farming in Spanish mountain areas therefore remains of critical importance and should be better analysed before more detailed conclusions can be drawn.

Annex 6: Overview of 2002-2006 monitoring data

1. Introduction and limitations of the analysis

The analysis below is based on monitoring data provided for the years 2002 to 2006 and referring to the EU-25 Member States (i.e. excluding Romania and Bulgaria). The data that relates to the 2000-2006 programming period for Rural Development Policy are partially uncompleted since the operations financed under the EAGGF – Guidance section are not considered. In this regard, only the information provided for measures d, e.1, e.2, f and h (accompanying measures) is complete since these measures are funded solely under the EAGGF – Guarantee section.

2000-2006 RDP Measures

Code	Title	Reg. (EC) 1257/99
a	investments in agricultural holdings	Art. 4-7
b	setting-up of young farmers	Art. 8
c	Training	Art. 9
d	early retirement	Art. 10-12
e.1	less-favoured areas	Art. 13-20
e.2	areas with environmental restrictions	Art. 13-20
f	agri-environment and animal welfare	Art. 22-24
g	improving processing and marketing of agricultural products	Art. 25-28
h	afforestation of agricultural land (establishment costs)	Art. 31
i	other forestry measures (i.1&i.2)	Art. 30, 32
j to w	promoting the adaptation and development of rural areas	Art. 33

When referred to in the charts and tables, 'MS with mountain areas' are specified as follows.

MS with areas designated as Mountain Areas (According to definition given in Reg. (EC) 1257/99 Art.16 -20)

For EU-15: Germany (DE), Greece (GR), Spain (ES), Finland¹² (FI), France (FR), Italy (IT), Austria (AT), Portugal (PT), Sweden (SE).

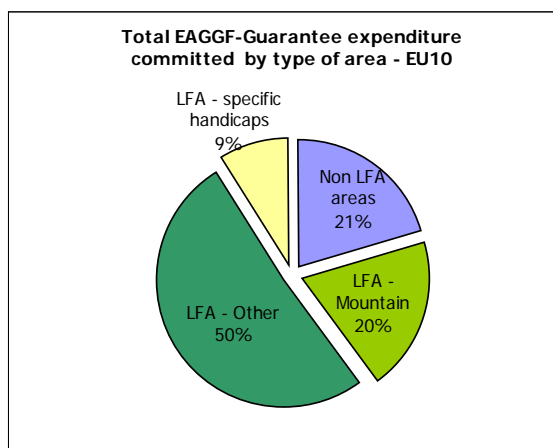
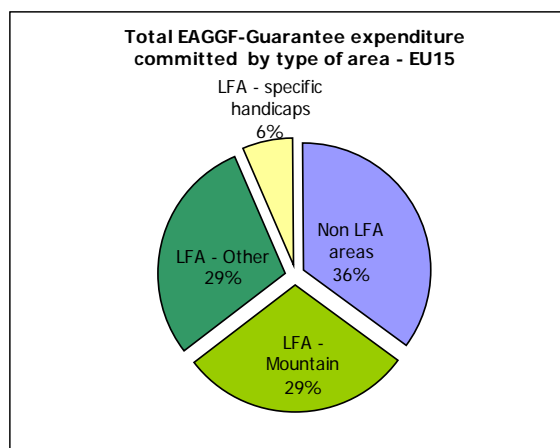
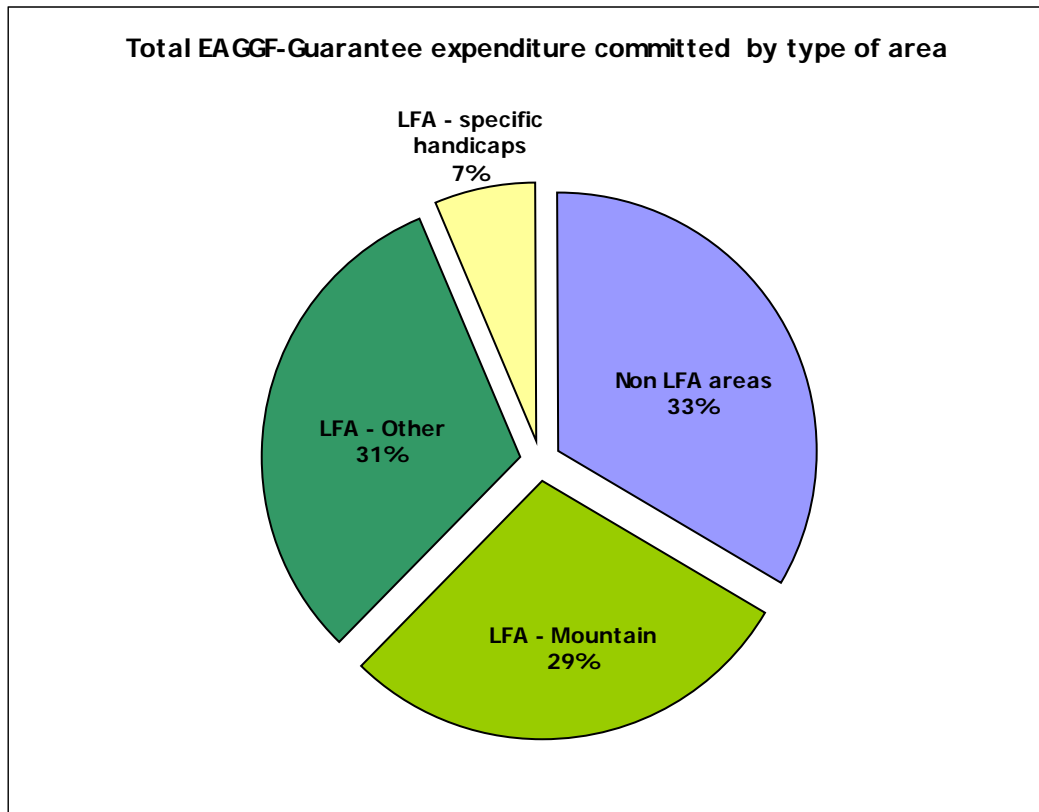
For EU-10: Bulgaria (BG) Czech Republic (CZ), Cyprus (CY), Romania (RO), Slovenia (SL), Slovakia (SK), Poland (PL)

(Bulgaria and Romania are not considered in the analysis)

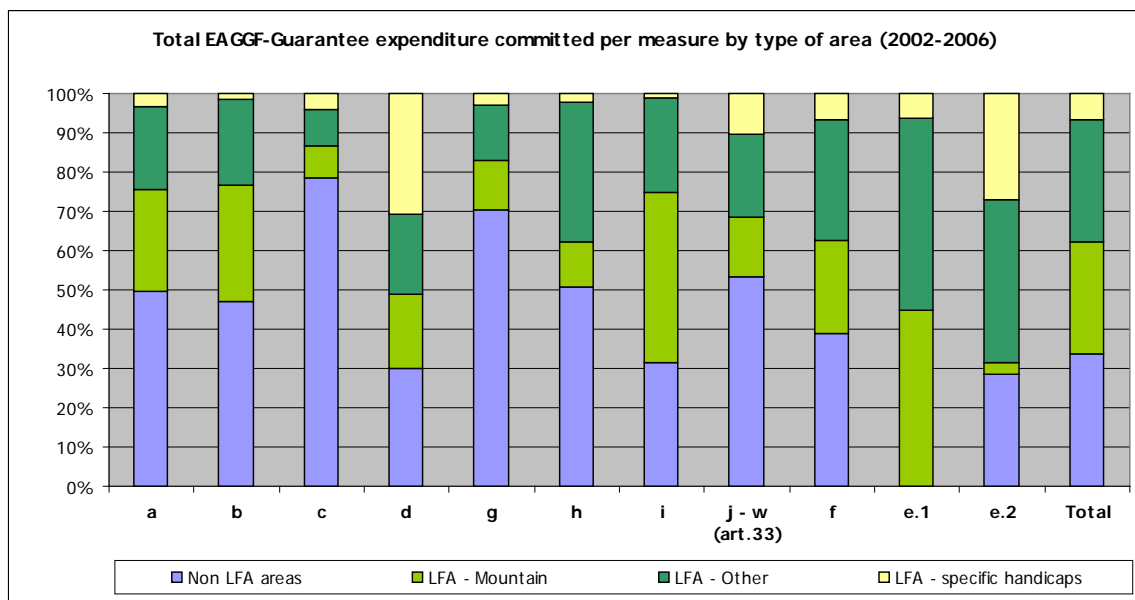
¹² Finland presents specific areas that are assimilated to 'mountain areas'.

2. EAGGF expenditure allocated to mountain areas

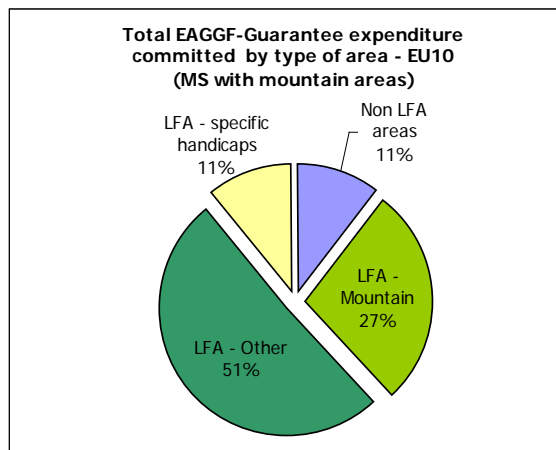
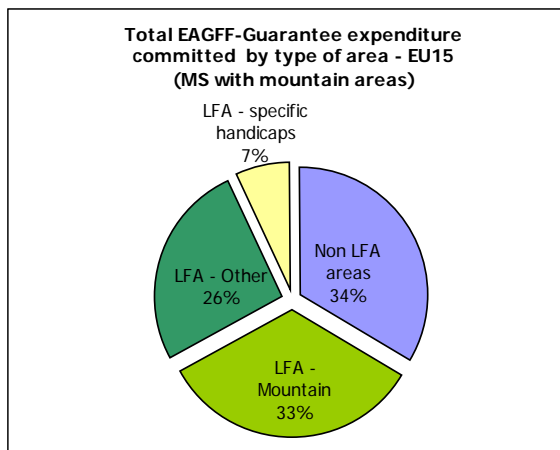
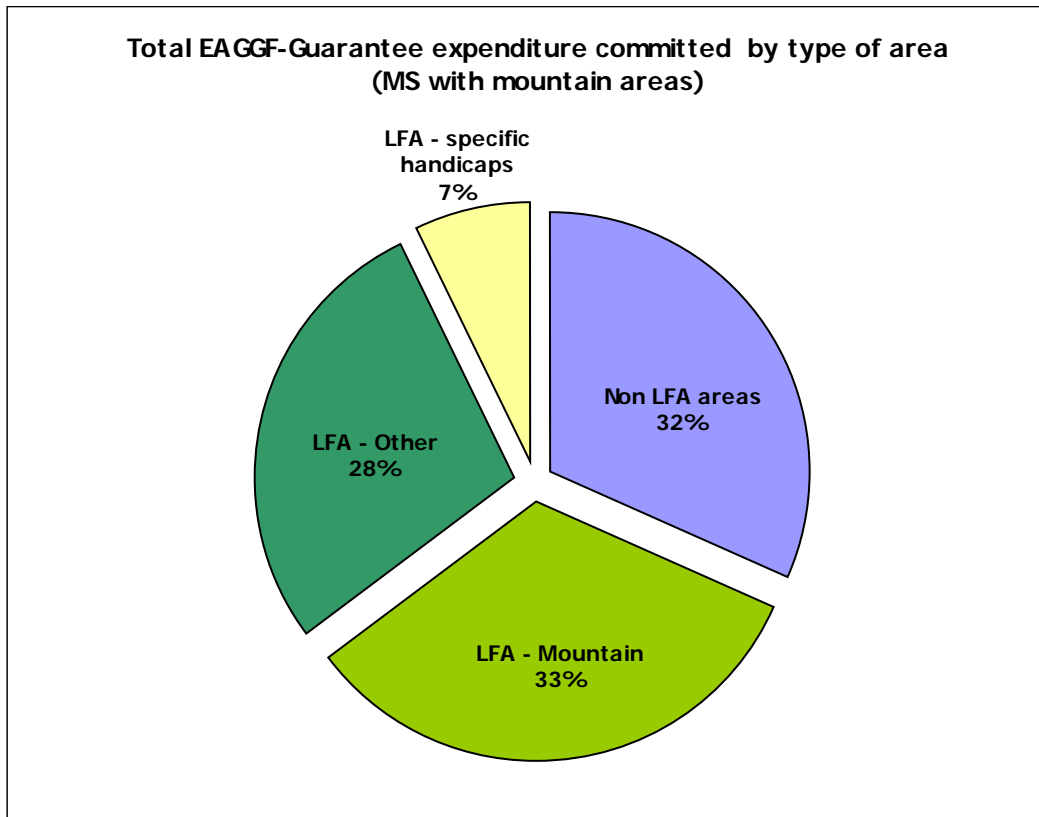
To provide an overview of the allocation of the public expenditure committed to the Mountain areas (according to the definition given by Articles 16 to 20 of the Reg (CE). n° 1257/99) the 2002-2006 monitoring data have been aggregated for all the MS (EU15 + EU10).

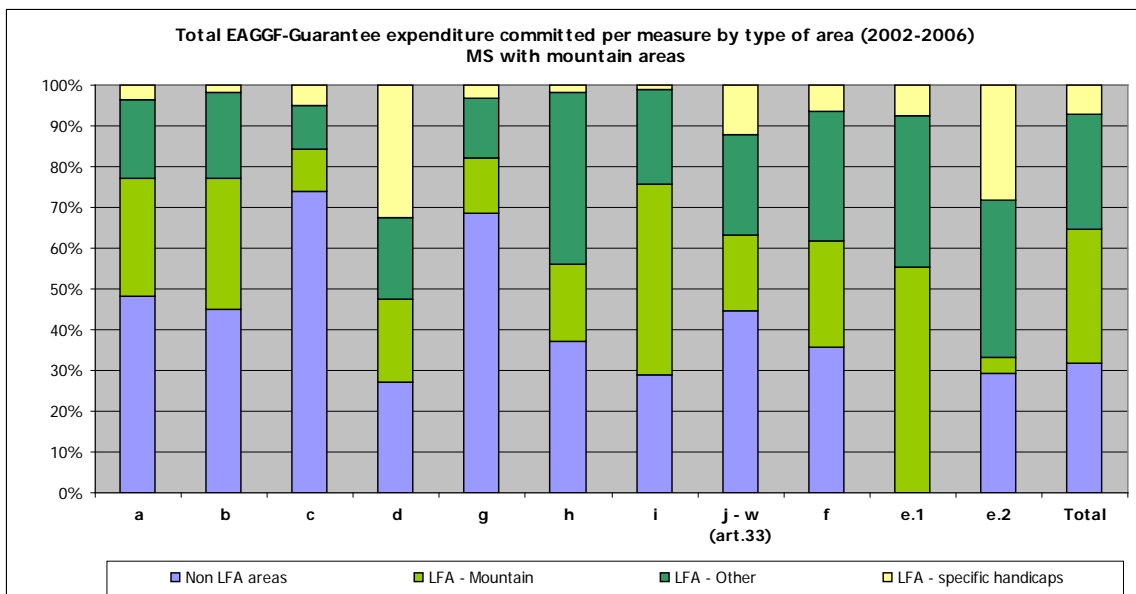
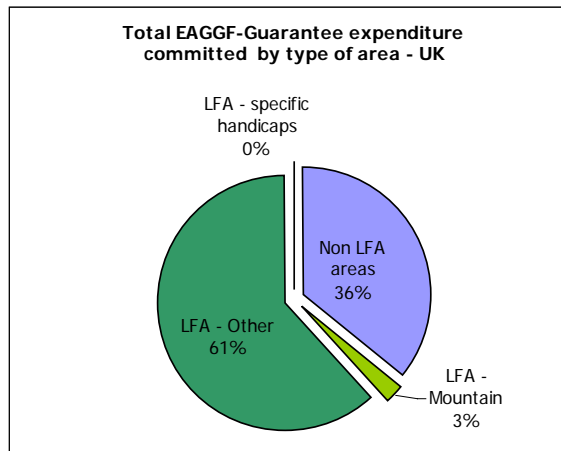
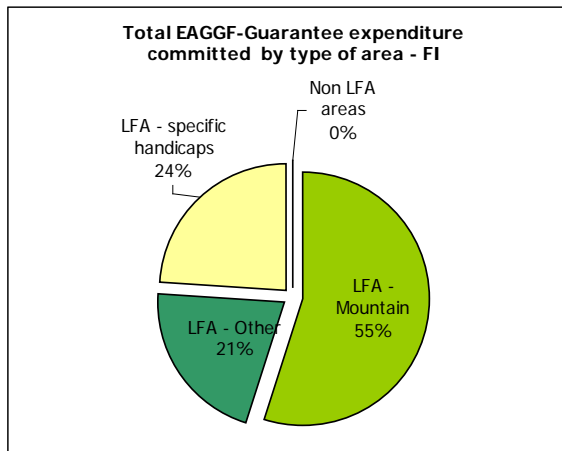
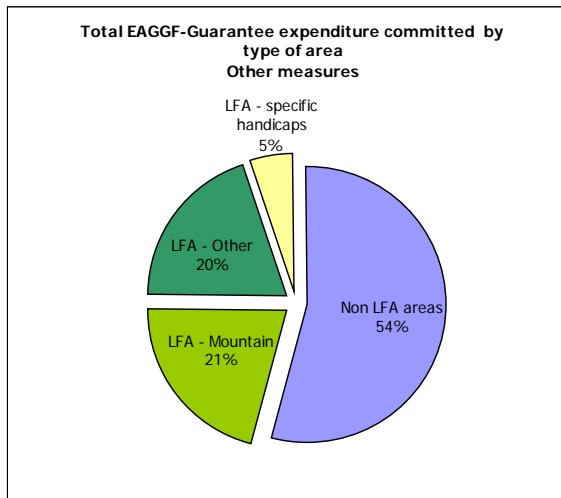
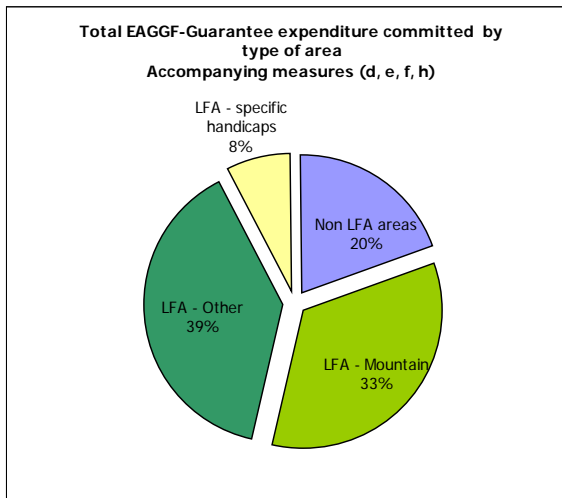


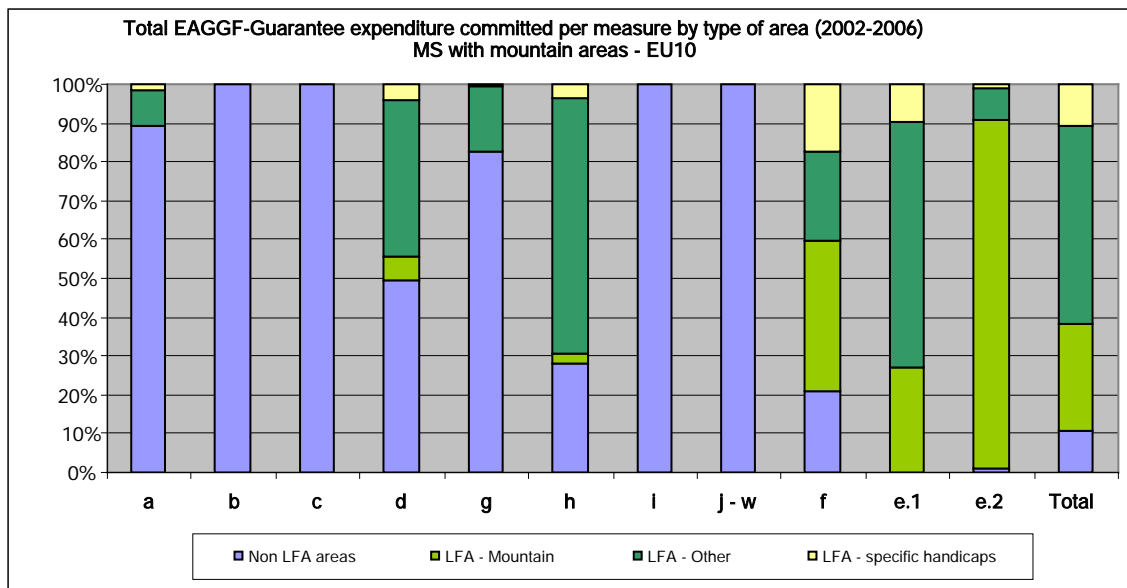
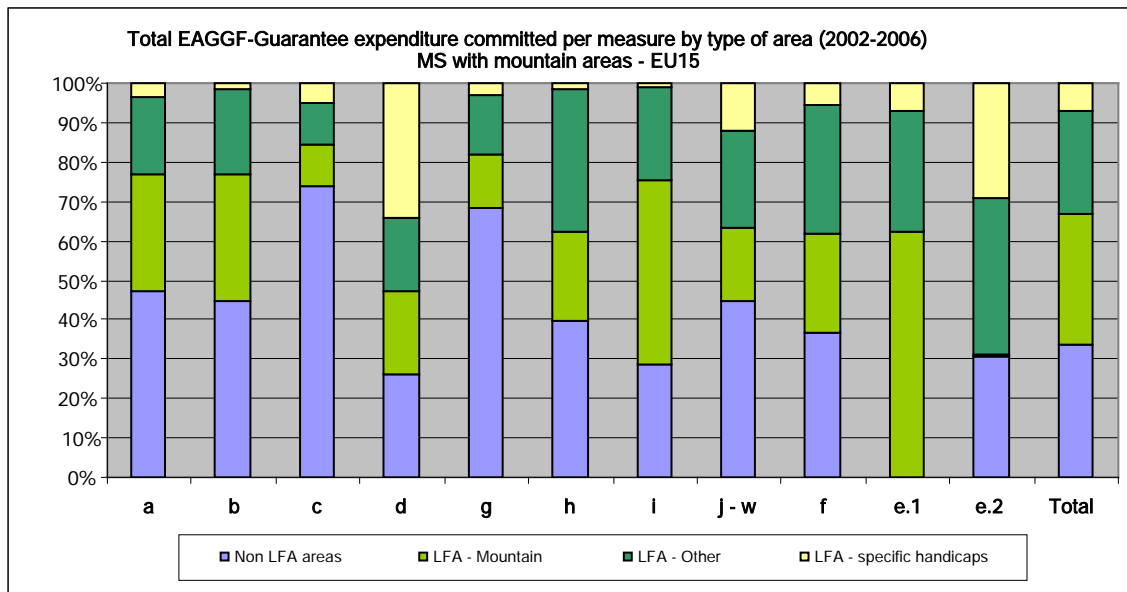
- The share of the of the total EAGGF-Guarantee expenditure allocated to LFA areas in the EU 25 during the past programming period is 67%, of which the 43% (29% of the total) has been allocated to mountain areas.
- The share allocated to mountain areas in the new Member states (2004-2006 data) is lower than in the EU15 (20%) but the LFA areas share of the overall expenditure is 79%.
- The break-down by measure shows that, apart from measure e.1 dedicated to LFA, Measure (i) – *other forestry measures* allocate the biggest share of public expenditure to mountain areas (43%), followed by Measure (b) – *setting-up of young farmers* (30%), Measure (a) – *investments in agricultural holdings* (26%) and Measure (f) – *agri-environment and animal welfare* (24%).



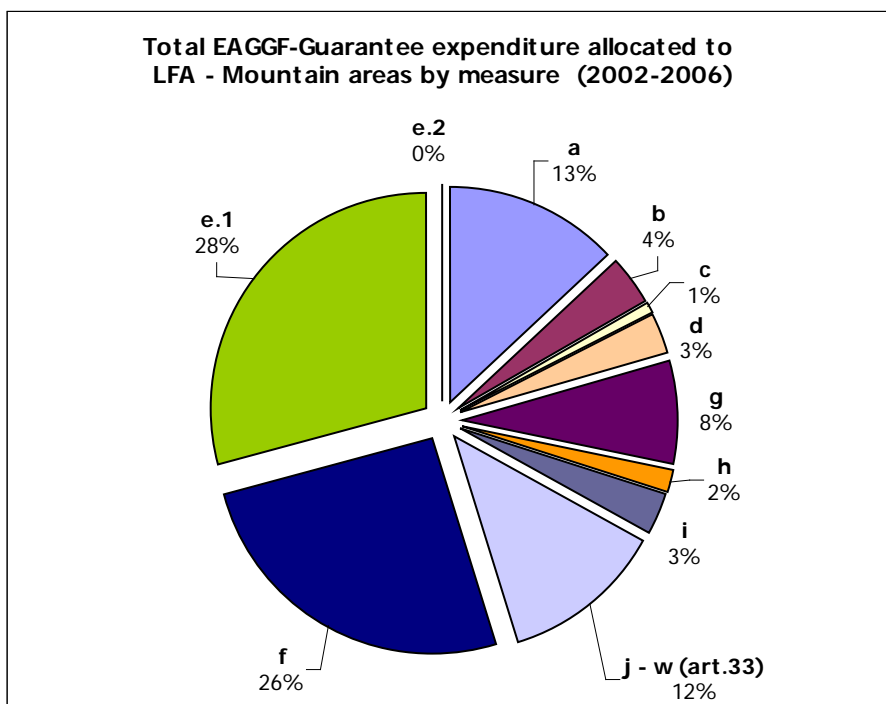
- The weight of the expenditure allocated to the LFA areas in general and that allocated to Mountain areas does not change significantly when taking in consideration only the MS with designated mountain areas.



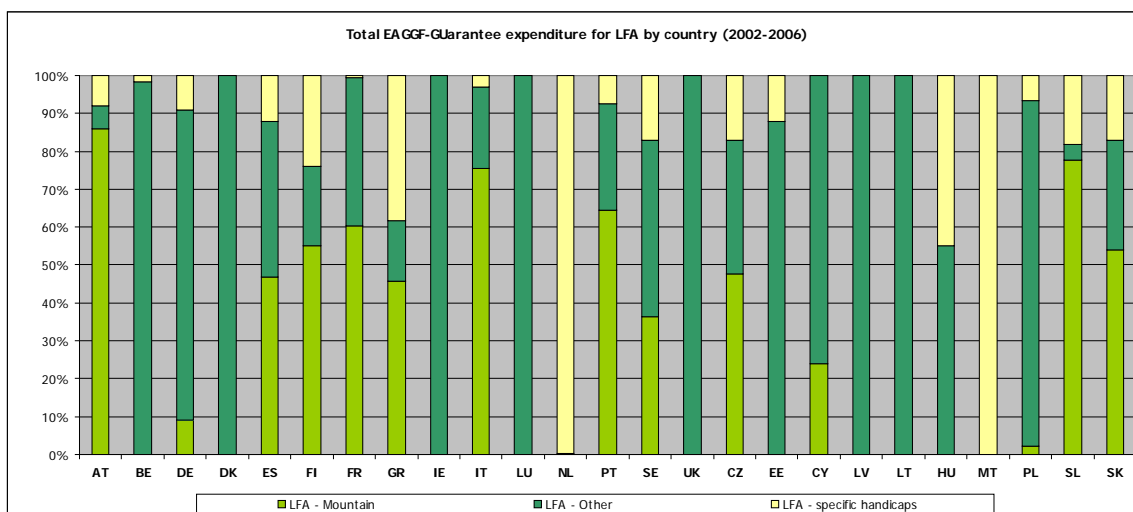


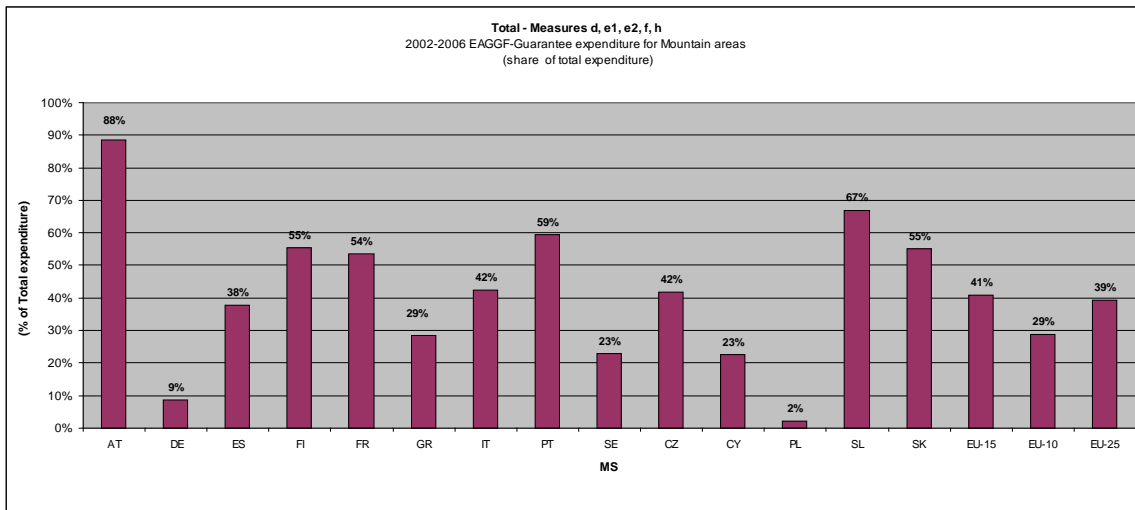
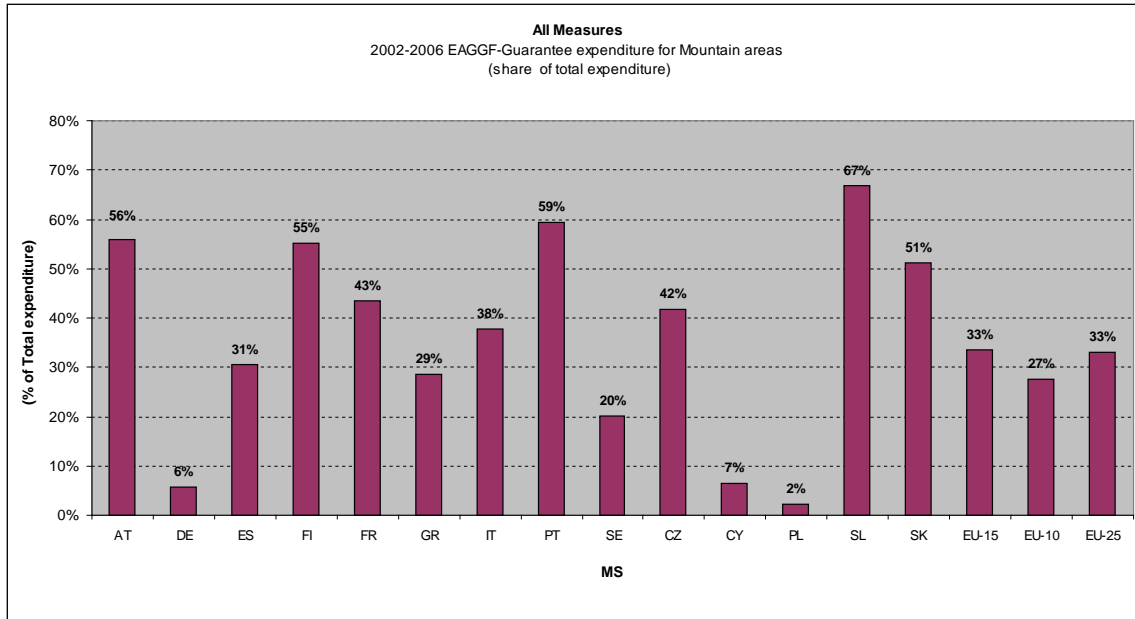


- The total EAGGF-Guarantee expenditure committed to mountain areas by measure shows that more of the half of public expenditure (54%) has been channeled through measures (e.1) and (f).
- However, measure (a) together with the measures under former Article 33 (j to w) contributes a further 25% of the expenditure allocated to mountain areas.



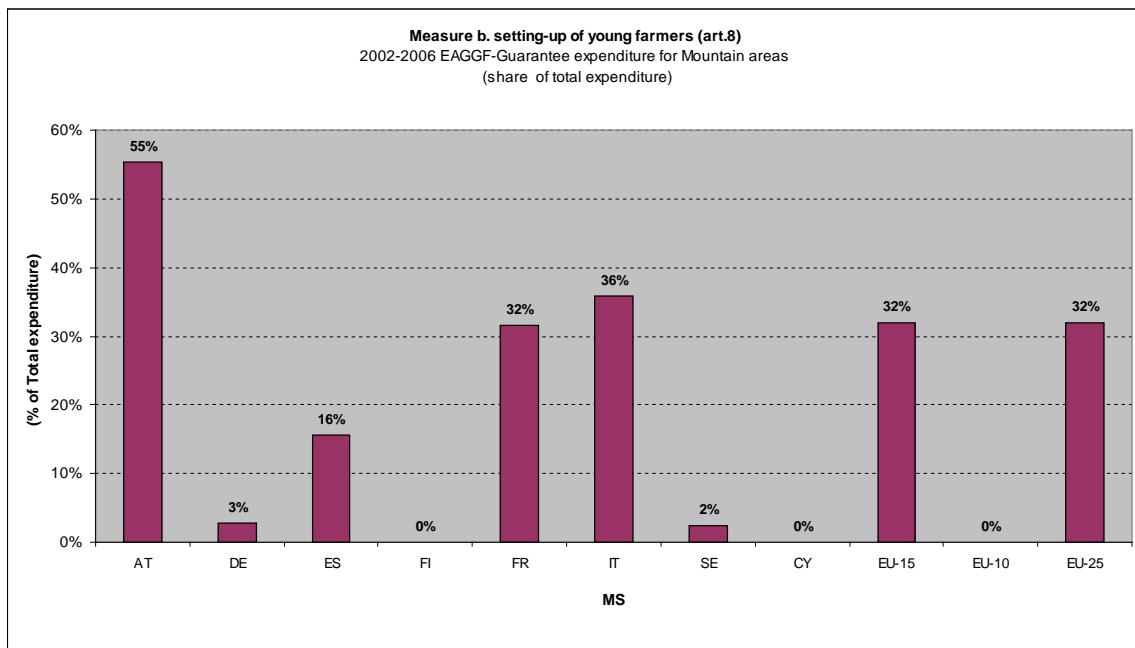
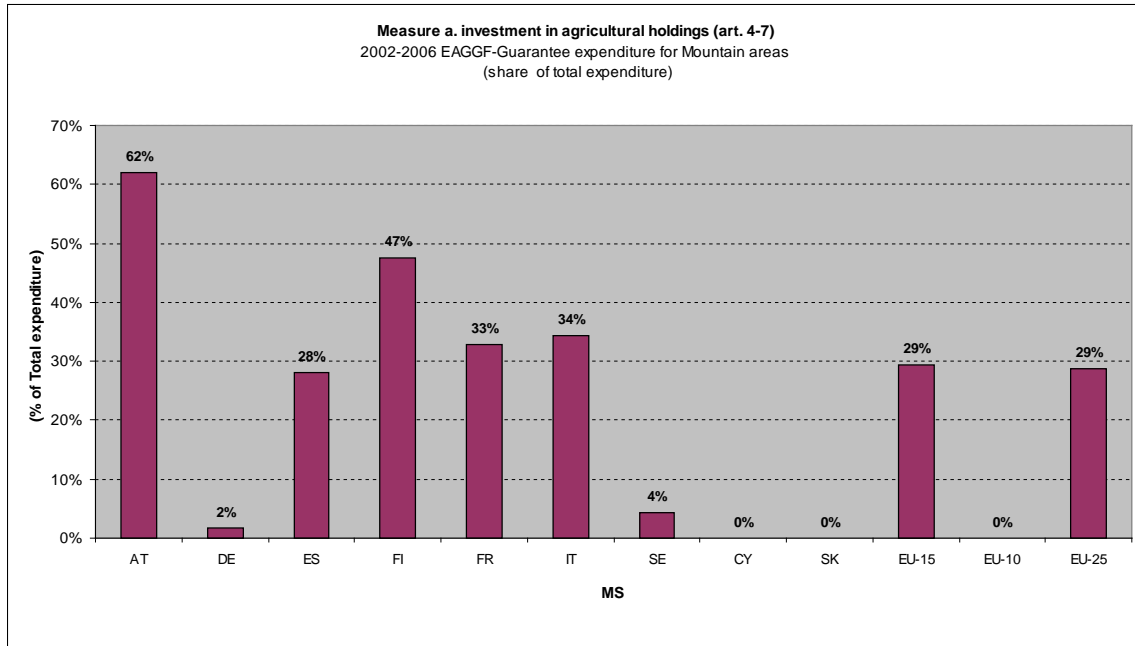
2. MS expenditure in Mountain areas

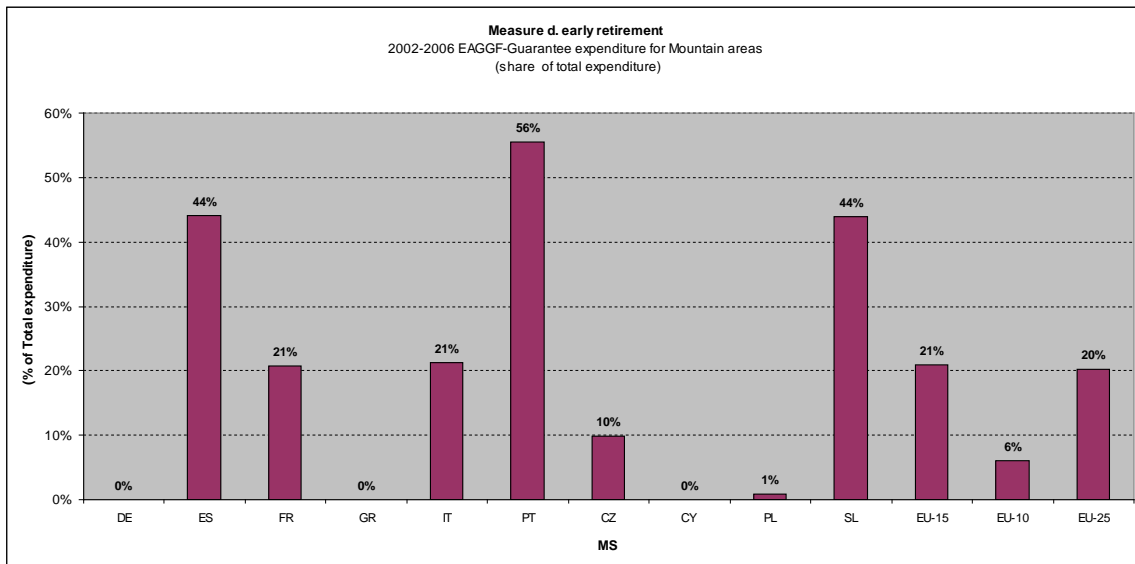
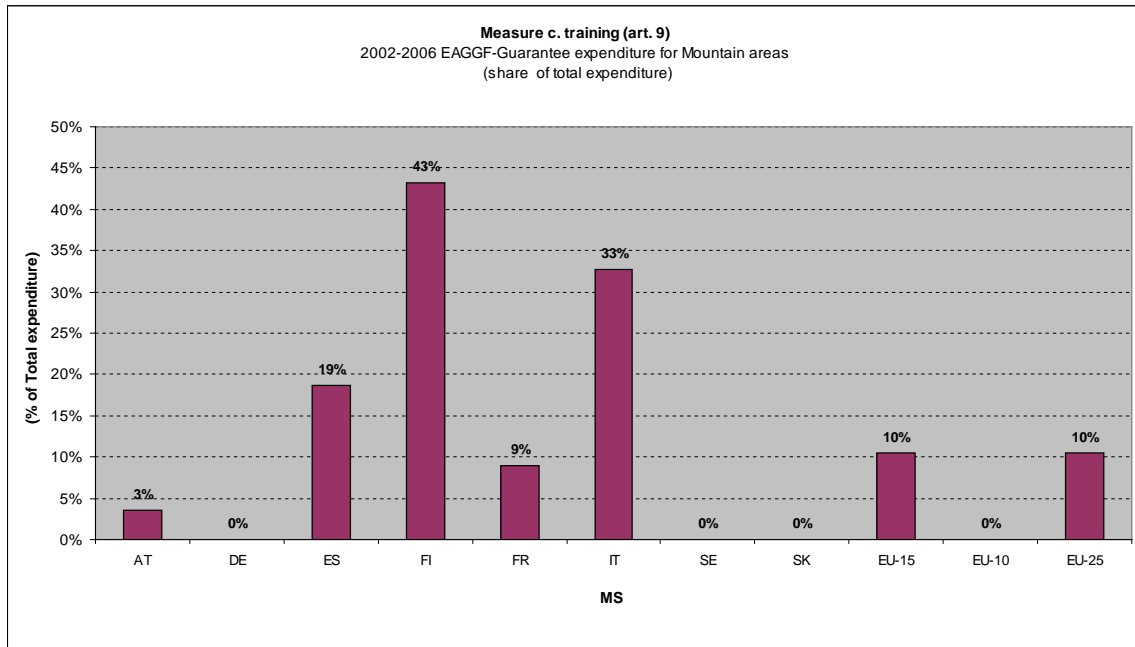


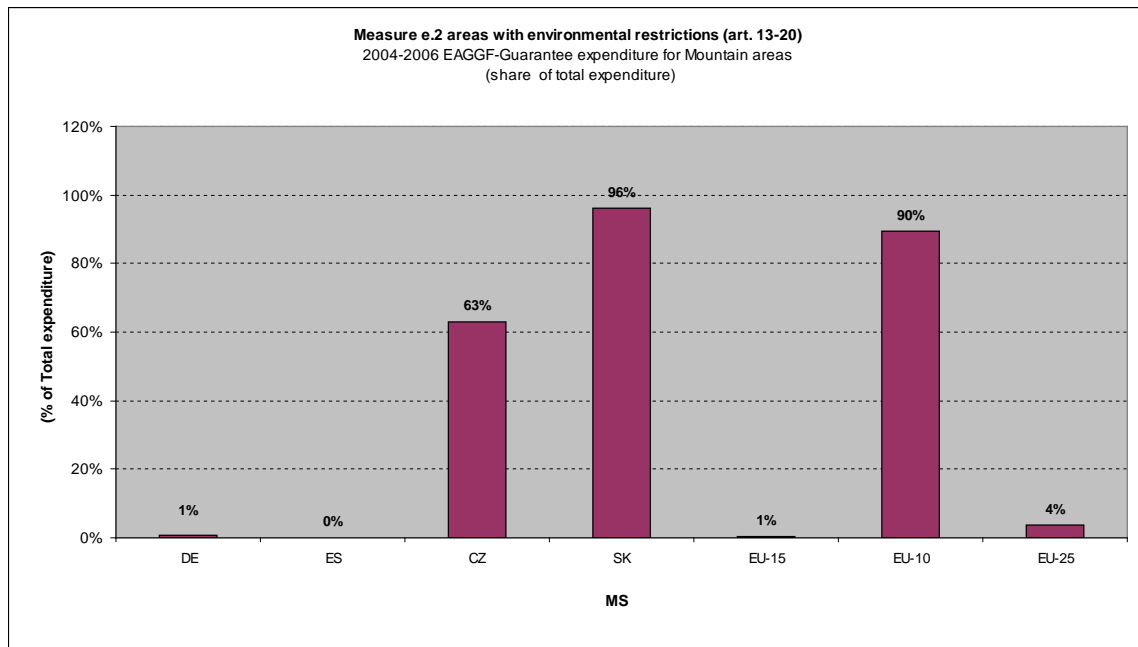
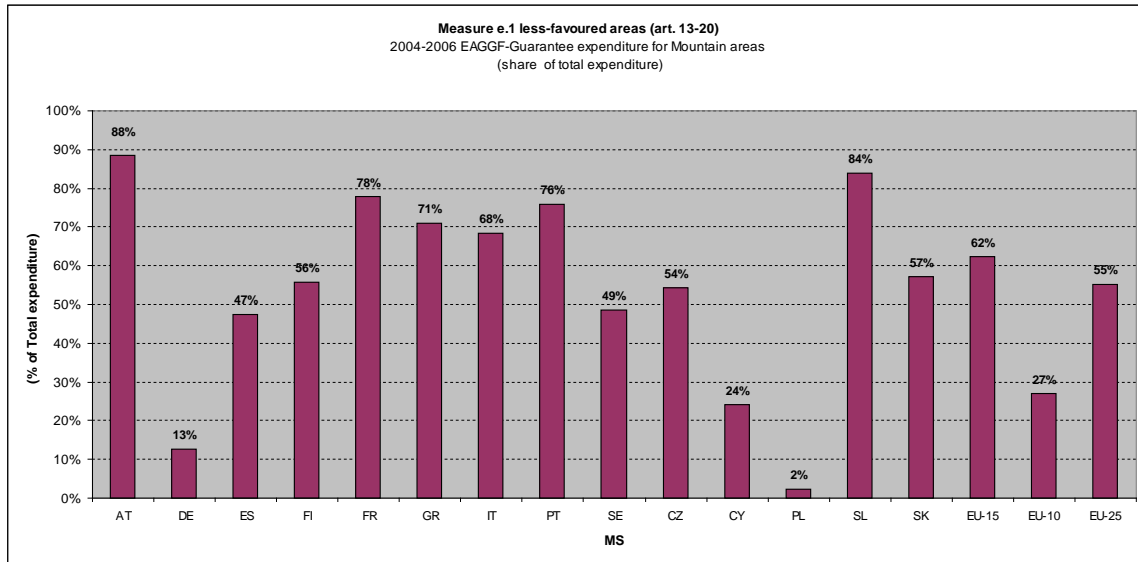


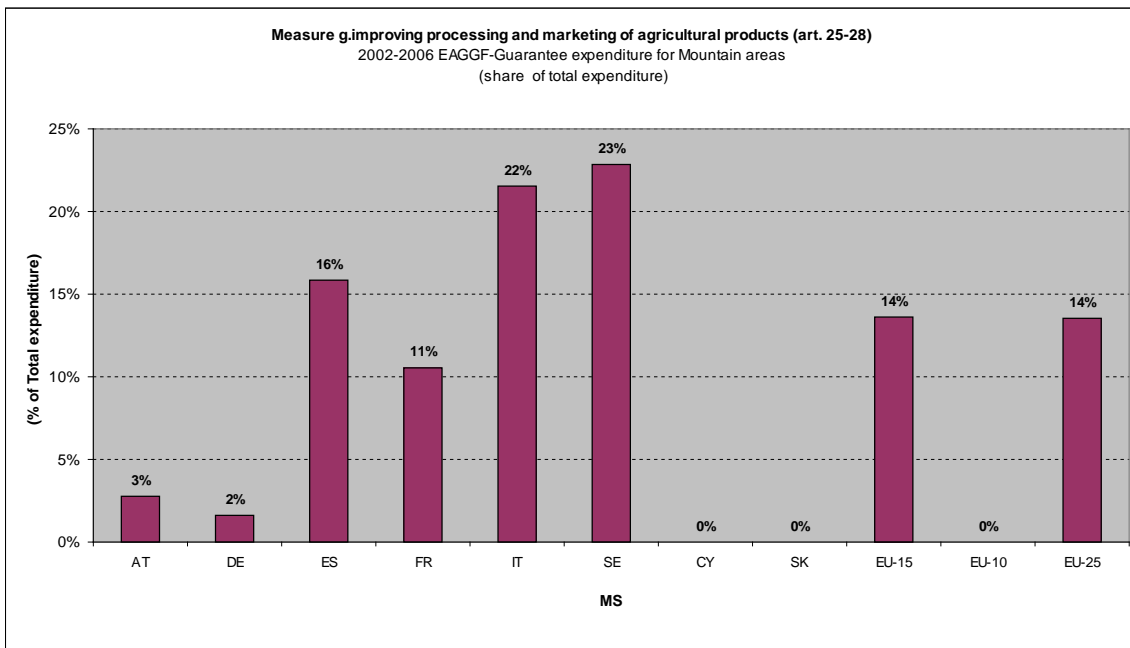
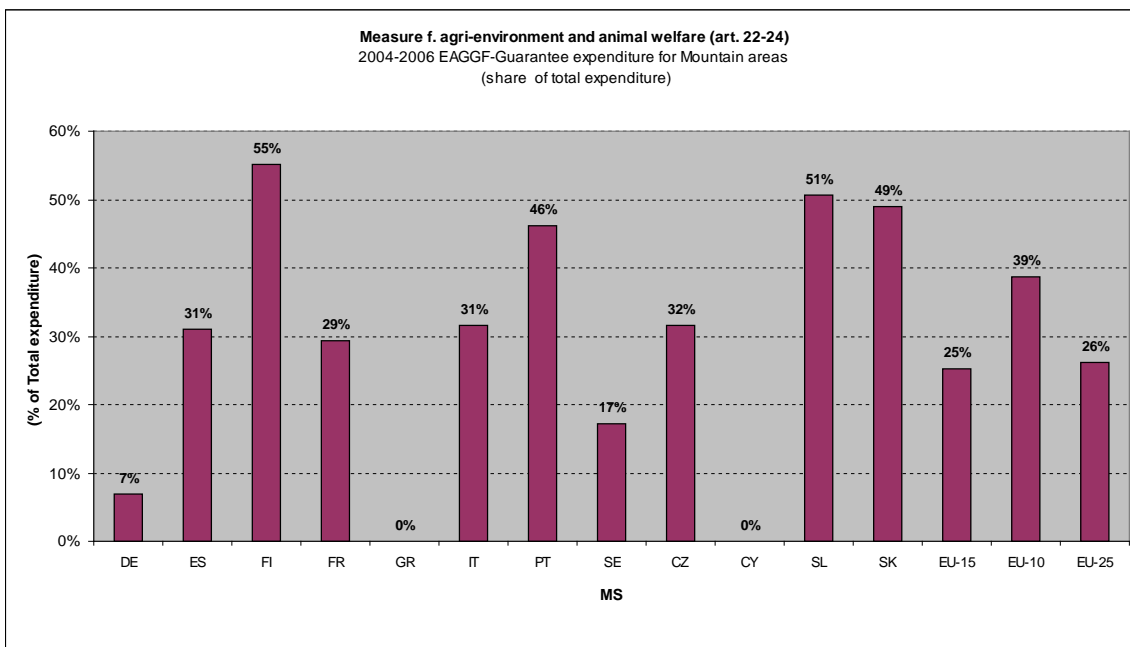
- Considering all the measures, in absolute values, FR (2,3 billions EUR) and IT (1,8 billions EUR), have spent the most on Mountain areas, followed by FI, ES and AT.
- SL shows the highest share of total public expenditure allocated to mountain areas (67%) following by SK, FI, AT and PT whose shares range from 50% to 60%;
- On average, 33% of the EAGGF-Guarantee expenditure in the EU25 has been allocated to mountain areas.
- When measures d, e1, e2, f and h are considered, AT shows the highest share of total EAGGF-Guarantee expenditure for mountain areas (88%).
- Among the new Member states, SL and SK also have a high share (67% and 55% respectively).

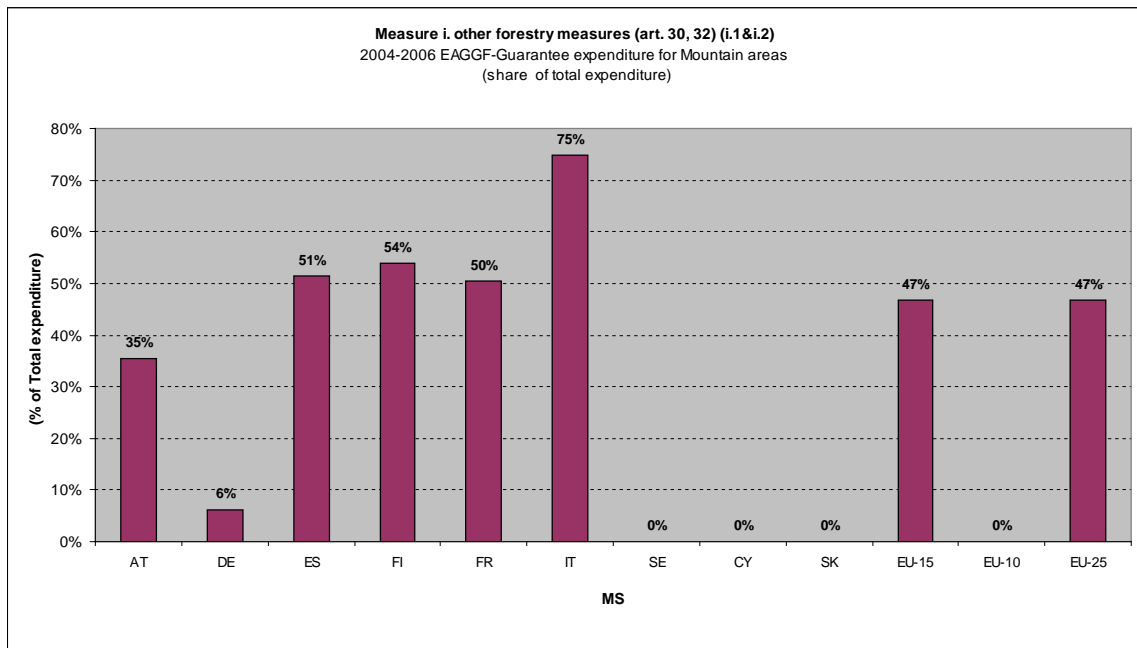
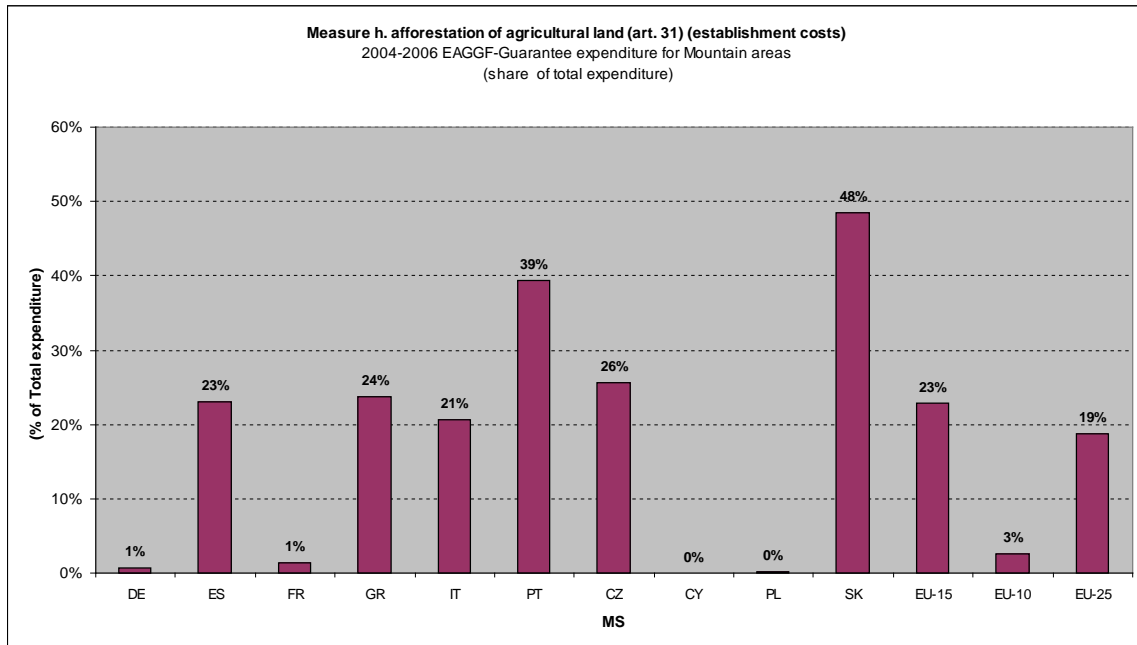
The following charts provide further details regarding specific measures (only MS where the measures are implemented are considered).

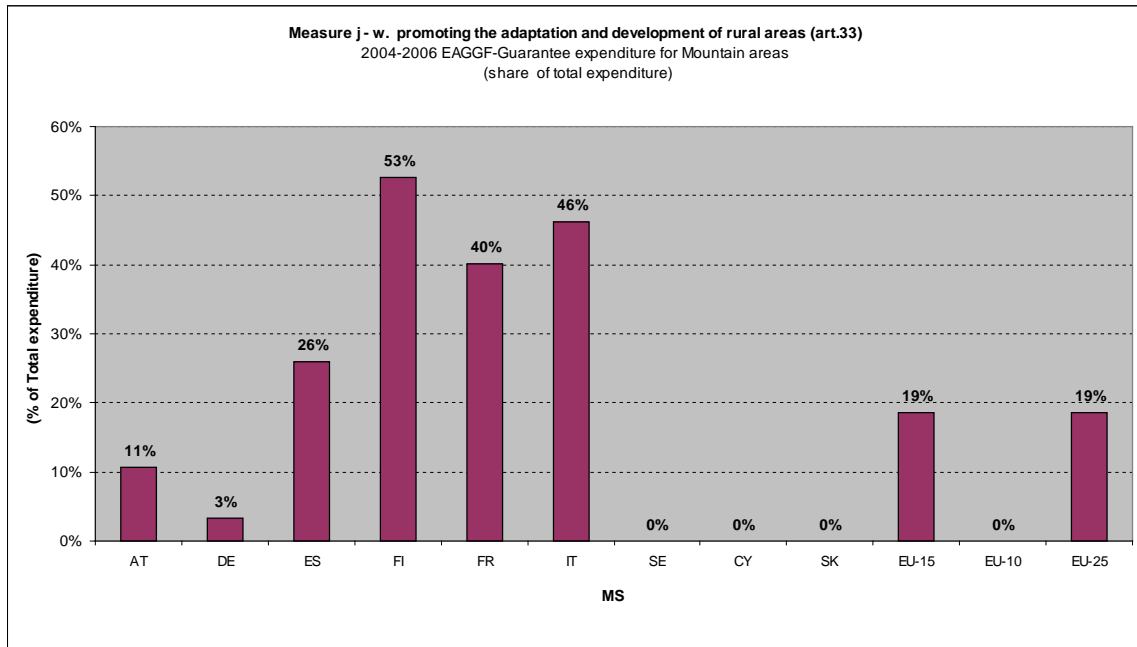




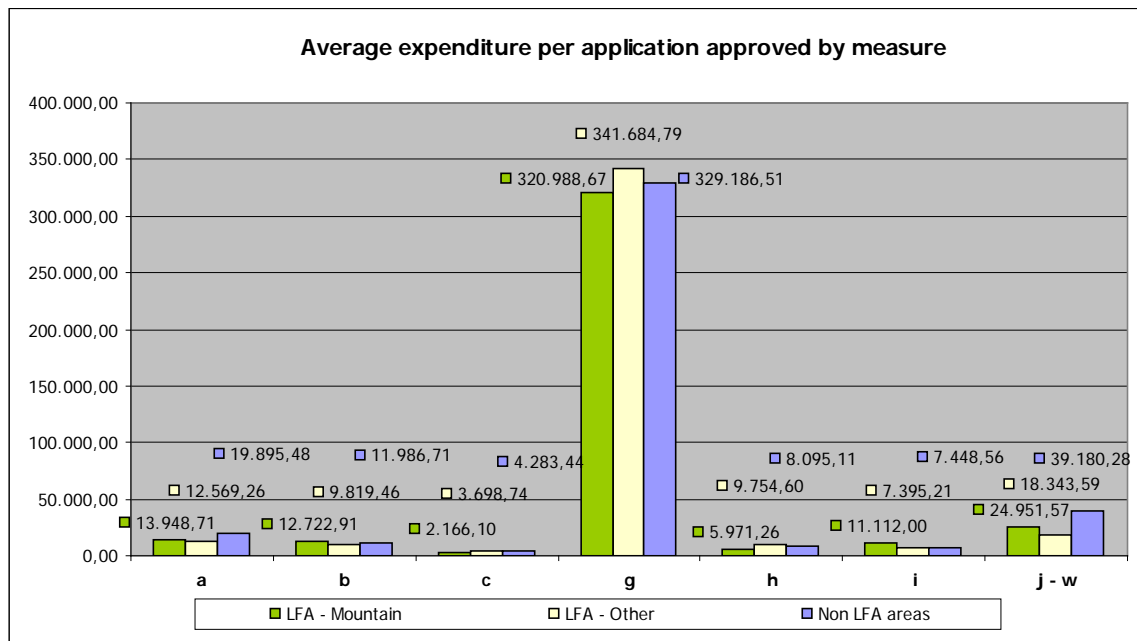






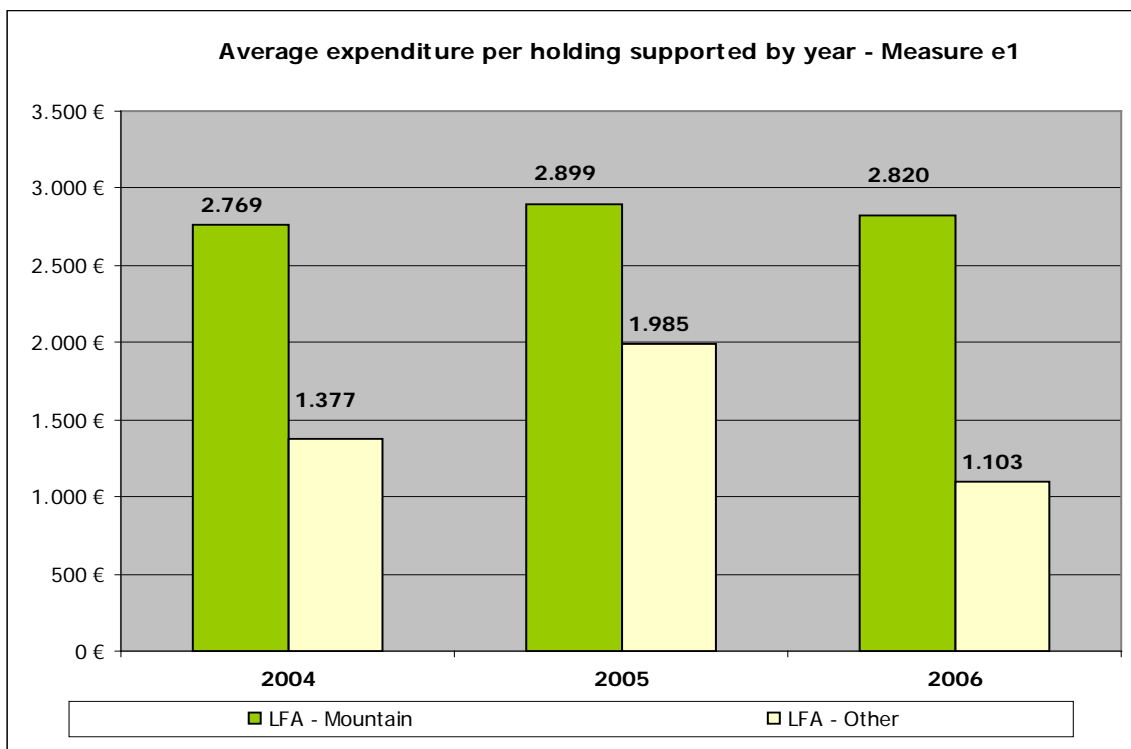
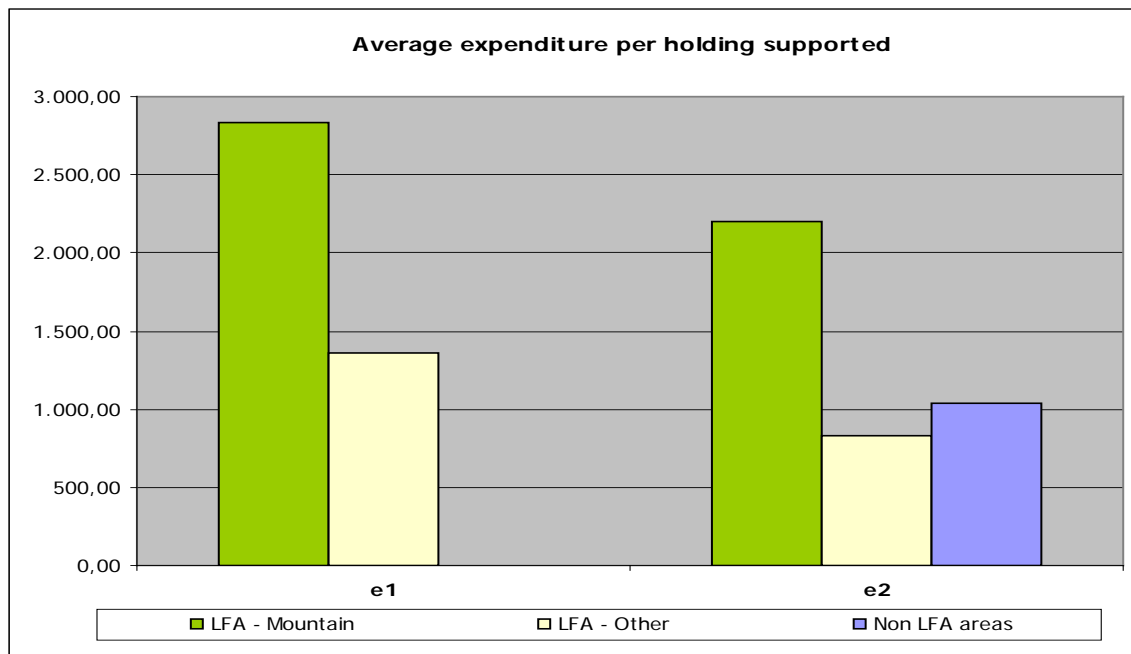


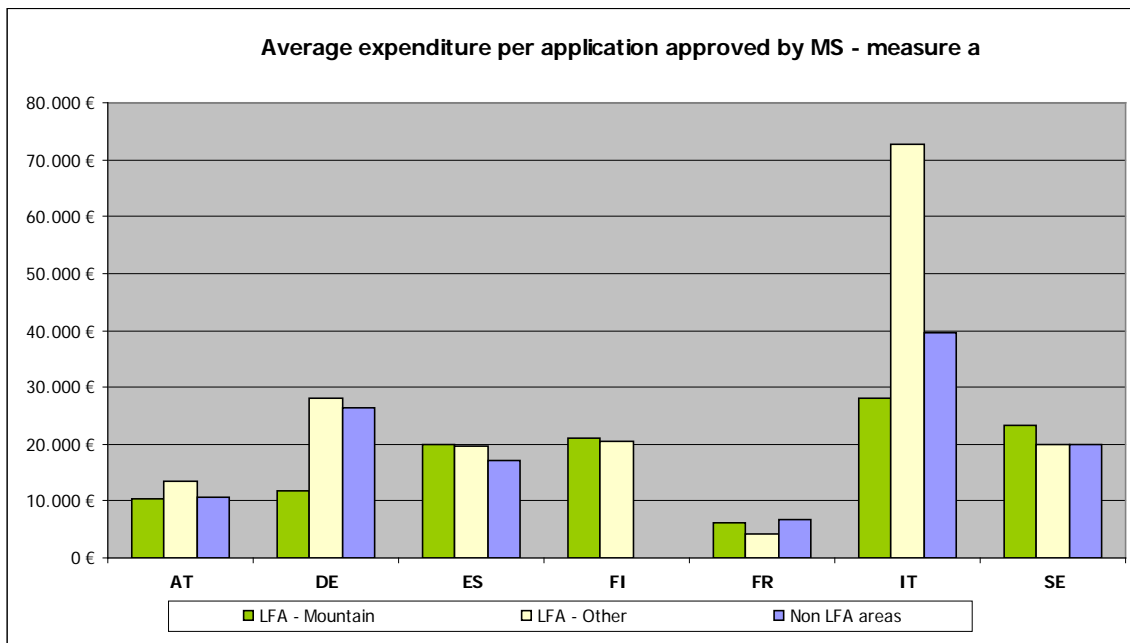
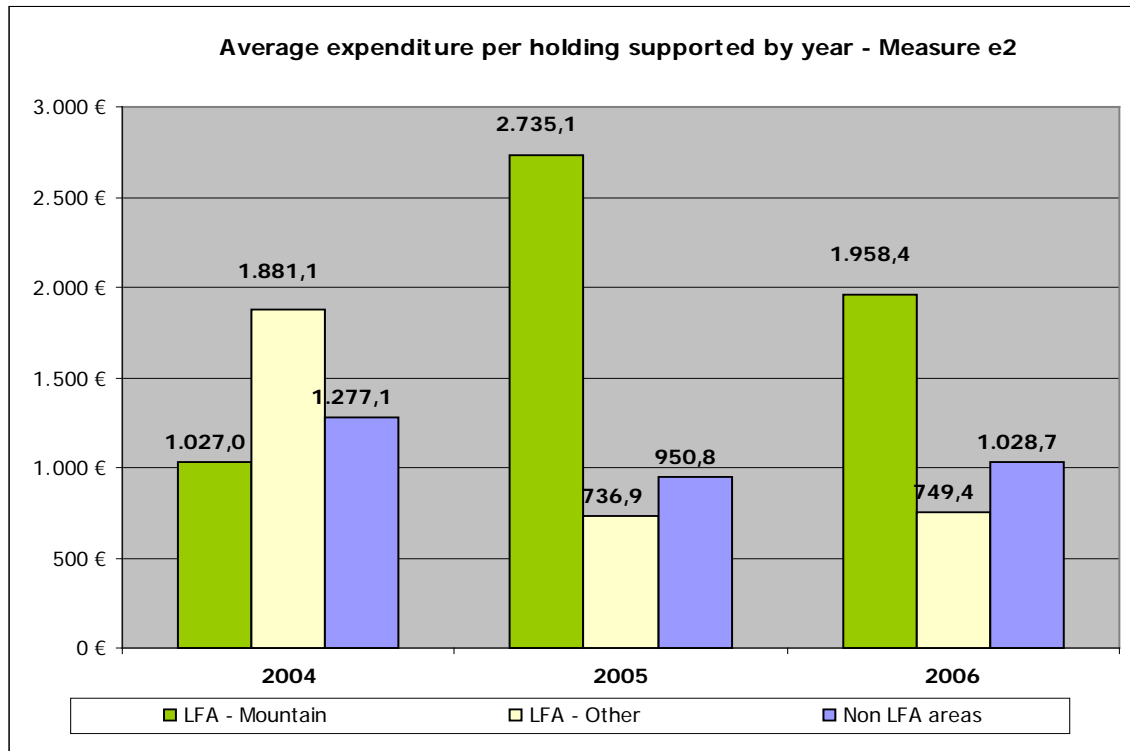
3. Comparison of average expenditures between different types of area

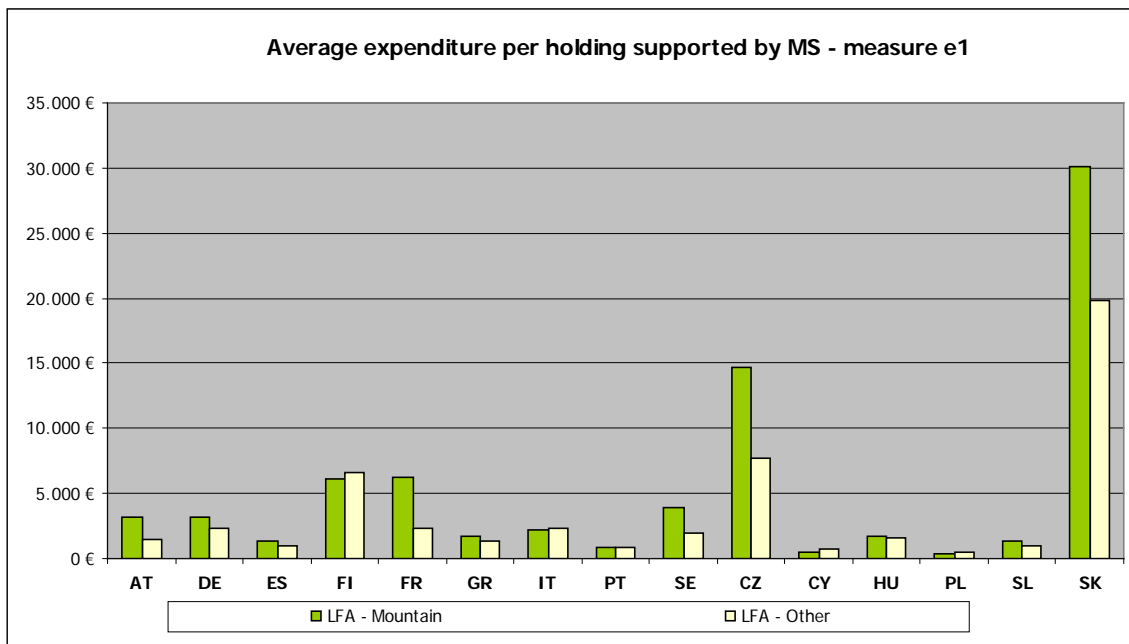
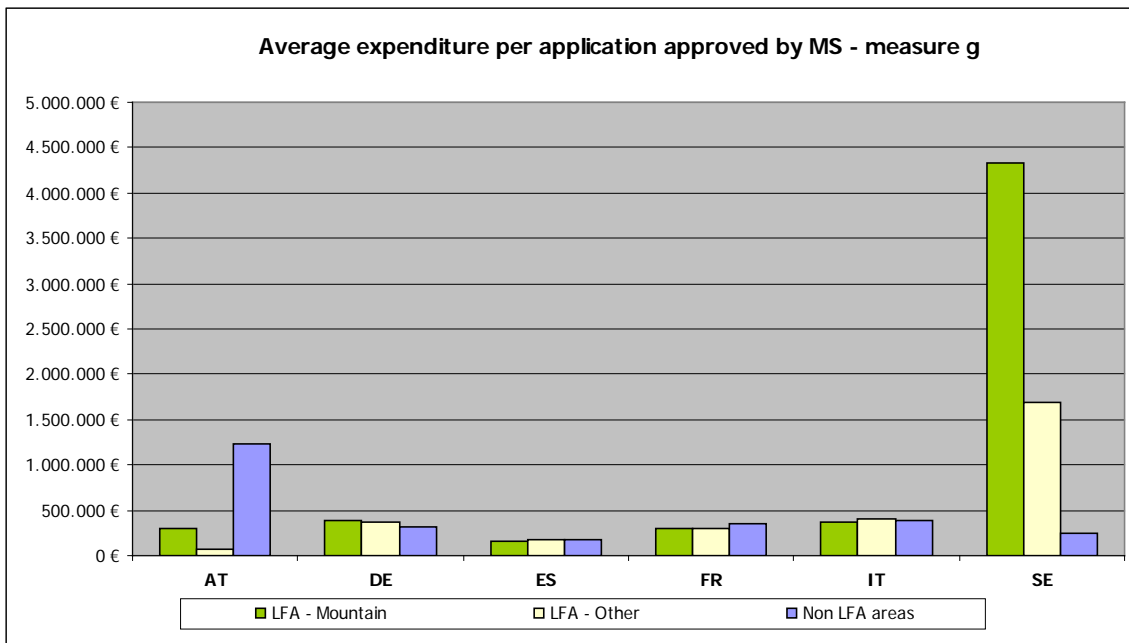


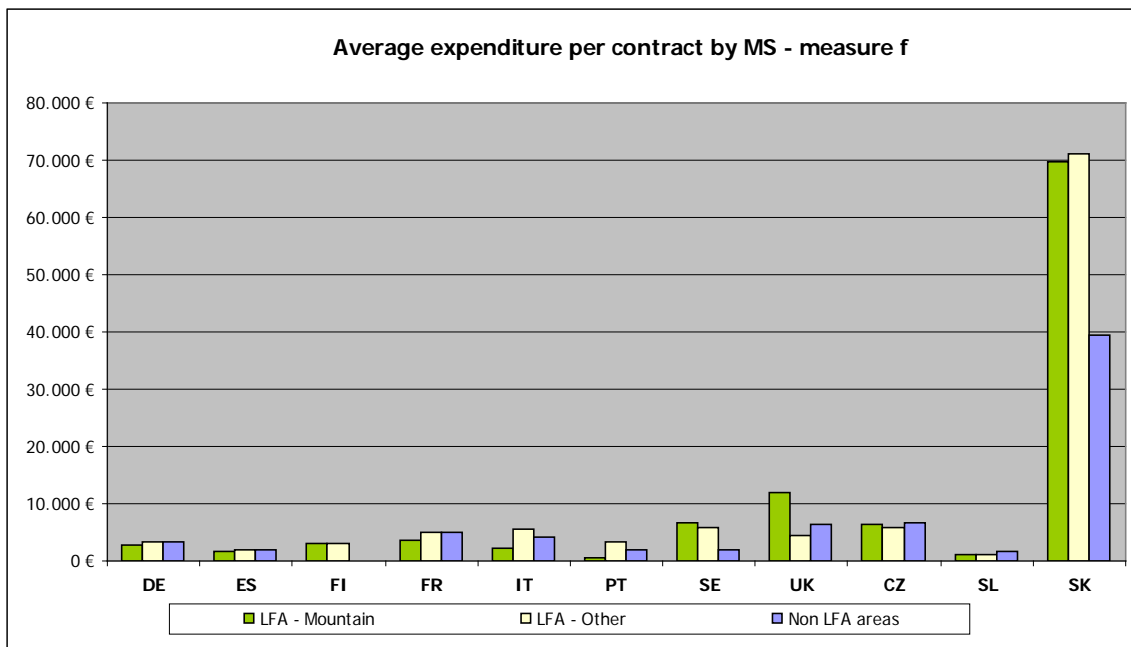
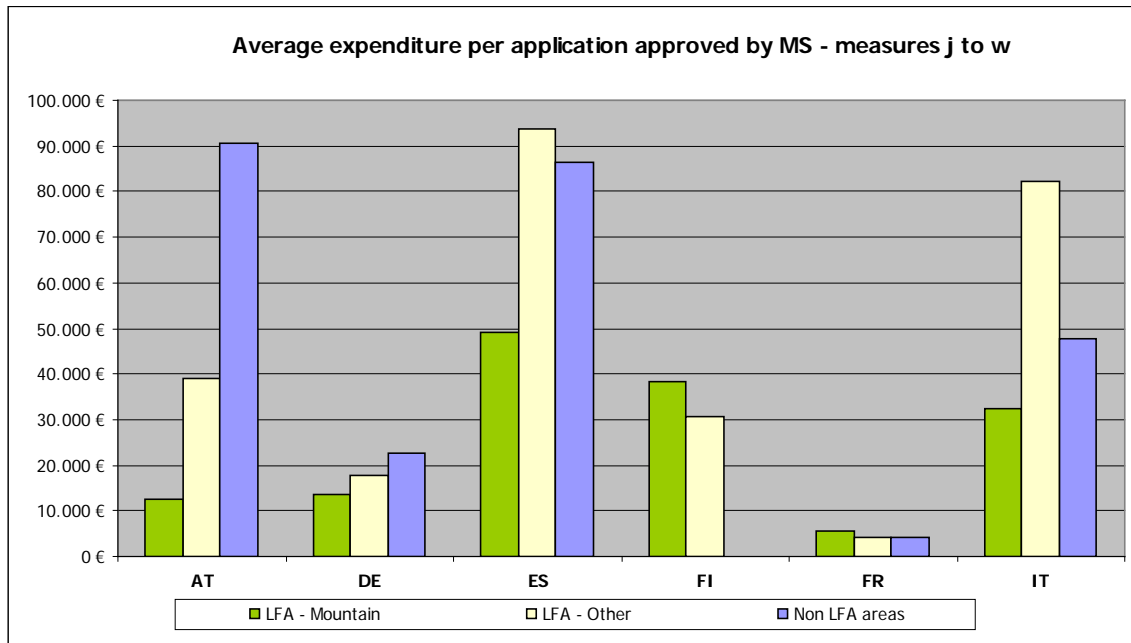
The comparison of the average expenditure per application between non LFA areas and mountain areas shows different results depending on the measure considered.

In the investment measures a, g, Art.33 measures and the afforestation measure, the average expenditure per application is usually higher in non LFA areas than in mountain areas. In particular, the average 'investment in agricultural holdings' in non LFA areas are 42% higher than the investments undertaken in mountain areas. Conversely, investments in the forestry sector (measure i) are much higher in mountain areas (+49% compared to normal areas).









Annex 7: References

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European Parliament, *On the situation and outlook for hill and mountain farming*, 30 July 2008, Commission Committee on Agriculture and Rural Development, Rapporteur: Michl Ebner;

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Key issues for Mountain Areas, Martin F. Price, Libor Jansky, Andrei A. Iatsenia, United Nations University Press, 2004.