**GALICIA - SPAIN**

**Basic Information:**
The Galicia Rural Development Programme (RDP) has budgeted for 2007-2013 total public expenditure of €1.5 billion (European Agricultural Fund for Rural Development and Member State contribution). During the period 2007 to 2012 total public expenditure of €809 billion has been utilised (see Figure 1).

**Axis 1** (Improving the competitiveness of the agricultural and forestry sector) has utilised 54% of its allocated budget.

**Axis 2** (Improving the environment and the countryside) has utilised 61% of its programmed expenditure.

**Axis 3** (Improving the quality of life in rural areas) has utilised 46% of its budget.

**Axis 4** (Leader) has utilised approximately 28% of the programmed expenditure.

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

Axis 1 places an emphasis on Modernisation of agricultural holdings (M121) allocating to this measure 34%, of the overall budgeted funds for Axis 1.

Analysis of the expenditure rates per measure up to 2012 shows that:
- The measure on Early retirement (M113) has utilised almost 91% of its allocated budget.
- Six measures have utilised 50-65% of their programmed expenditure, namely:
  - Modernisation of agricultural holdings (M121), 62%
  - Vocational training and information actions (M111), 56%
  - Setting up of management, relief and advisory services (M115), 56%
  - Setting up of young farmers (M112), 54%
  - Information and promotion activities (M133), 51%
  - Cooperation for development of new products, etc. (M124), 51%.
- Four measures have utilised 40-50% of their programmed expenditure, namely:
  - Use of advisory services (M114), 47%
  - Participation of farmers in food quality schemes (M132), 47%
  - Improvement of the economic value of forests (M122), 44%
  - Adding value to agricultural and forestry products (M123), 42%.

Figure 3 provides an indication of the progress of the total public expenditure on the most important measures of Axis 1 against the 2007-2013 budgets, in comparison to the National level.
Measure 111 project example: Mycology Learning and Exhibition Centre / Spain - Galicia

A biotechnology company focused on mycology and specialised in ecological cultivation, initiated a project aiming to create a mycology learning and exhibition centre promoting the cultivation of different mushroom varieties.

The project supported the construction of the centre that exhibits mycological products, displays production techniques and offers educational activities (training of mushroom producers) and walking tours. As result of the initiative, the company Hifas da Terra became leader in its field, specifically in: encapsulation of extracts of health-promoting mushroom varieties, nursery of mycorrhizal plants and ink disease-resistant hybrids, cultivation of different varieties of mushroom such as Shiitake in oak wood. It offers also cultivation kits and courses for producers.

Additional benefits of the project were creation of highly-skilled jobs (engineers, biologists, foremen and administrative staff) in the region and more tourism activities (mycological walking tours), which boosted economic diversification.

The total cost of the project was €324,075.


Axis 2 - Improving the environment and the countryside

Axis 2 focuses on Agri-environment payments (M214), and on Restoring forestry potential and introducing prevention actions (M226). The two measures represent a significant part of the Axis 2 expenditure (see Figure 4). Together they have been allocated 19% of the total public budget programmed in the Galicia RDP for 2007-2013.

- Three out of the nine measures offered by the Axis, have utilised more than 85% of their allocated budgets, namely:
  - First afforestation of agricultural land (M221), 99%
  - Natural handicap payments to farmers in mountain areas (M211), 89%
  - Payments to farmers in areas with handicaps, other than mountain areas (M212), 89%.
- The measure on Restoring forestry potential and introducing prevention actions (M226) has spent 73% of its allocated expenditures.
- Three measures have utilised 30-55% of their programmed budgets, namely:
  - Agri-environment payments (M214), 54%
  - First afforestation of non-agricultural land (M223), 40%
  - Non-productive investments – forestry (M227), 33%.
Axis 2 - Improving the environment and the countryside

- Two measures (M215, M216) have utilised less than 20% of their allocated budget.

Figure 5 provides an indication of the progress of the total public expenditure on the most important measures of Axis 2 against the 2007-2013 budgets, in comparison to the National level.

Axis 3 - Quality of life in rural areas and diversification of the rural economy

Axis 3 of the Galicia RDP focuses on Basic services for the economy and rural population (M321) and Support for business creation and development (M312) which together represent almost 75% of the programmed budget and most of the total public expenditure of the Axis (see Figure 6).

When comparing the expenditure rates per measure up to 2012 it is observed that:

- The measure Diversification into non-agricultural activities (M311) has spent almost 83% of its programmed budget.
- Two measures have utilised 45%-60% of their programmed budgets, namely:
  - Basic services for the economy and rural population (M321), 47%  
  - Support for business creation and development (M312), 57%.
- Two measures have utilised 25%-40% of their programmed budgets, namely:
  - Conservation and upgrading of the rural heritage (M323), 36%
  - Encouragement of tourism activities (M313), 26%.

Figure 7 provides an indication of the progress of the total public expenditure on the most important measures of Axis 3 against the 2007-2013 budgets, in comparison to the National level.
The Leader Axis in the Galicia RDP has allocated budget of €149 million, out of which €41 million have been spent by 2012. Within the Axis, emphasis has been given to the Quality of life/diversification (M413) which has been allocated the largest share of funds.

When comparing the public expenditure per measure up to 2012 it is observed that Quality of life/diversification (M413) had the largest total public expenditure (see Figure 8).

It is also observed that:

- The measure Competitiveness (M411) has spent 66% of its programmed expenditures
- The measure on Running the LAG, skills acquisition, animation (M431) has utilised 41% of its allocated funds.
- Two measures have utilised 15-25% of their allocated funds, namely:
  - Quality of life/diversification, 24%
  - Environment/land management (M412), 18%.

Figure 9 provides an indication of the progress of the total public expenditure on the most important measures of Axis 4 against the 2007-2013 budgets, in comparison to the National level.

**Summary**

- The Galicia RDP within the first six years of its implementation has utilised about 53% (see Figure 10) of the total public expenditure planned for the current Programming Period (post Health Check and the European Economic Recovery Package modifications).
- Modernisation of agricultural holdings (M121) is the measure with the highest allocated budget in the Galicia RDP. Up to 2012, it has utilised 62% of its available budget and represents 18% of the total public expenditure of the programme.
- Adding value to agricultural and forestry products (M123) has the second largest measure budget in the Galicia RDP and the utilised expenditure is 42% of its allocated funds. M123 represents 8% of the total public expenditure of the programme.
- The third largest measure budget is for Agri-environment payments (M214), which has used almost 54% of its programmed total public expenditure and represents 9% of the total public expenditure of the programme.
- Financial implementation has progressed at a faster rate for Axis 2 and Axis 1, than for Axis 3 and Leader.
Source of the data:
1) Programmed expenditures 2007-2013: RDP budget allocation following Health Check revision (December 2012)
2) Expenditures 2007-2012: DG AGRI
3) Output indicators data are available only at National level; therefore at regional level a comparison of financial implementation progress is provided between the regional RDPs.

For further detailed information on financial / physical and output indicators data please refer to the dedicated ENRD website section on Monitoring Indicators.

http://enrd.ec.europa.eu