



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 15 January 2010

**5402/10
ADD 6**

**AGRI 14
AGRISTR 4
AGRIORG 4**

COVER NOTE

from:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	18 December 2009
to:	Mr Pierre de BOISSIEU, Secretary-General of the Council of the European Union

Subject:	Peak Performance - New Insights into Mountain Farming in the European Union
----------	--

Delegations will find attached Commission document SEC(2009)1724 final - Part 7.

Encl.: SEC(2009)1724 final - Part 7



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Brussels, 16.12.2009
SEC(2009) 1724 final

COMMISSION STAFF WORKING DOCUMENT
(Part 7)

PEAK PERFORMANCE

New Insights into Mountain Farming in the European Union

ANNEX 6

Screening of National Strategy Plans and of Rural Development Programmes 2007-2013

TABLE OF CONTENTS

<i>1</i>	<i>Introduction and overview of the screening approach and methodology</i>	<i>1</i>
<i>2</i>	<i>Summary of main findings from the screening of NSP's and RDP's</i>	<i>1</i>
2.1	The National Strategy Plans (NSP's)	1
2.2	The Rural Development Plans (RDP's)	2
2.3	Italian and Spanish National Summaries	6
2.4	Monitoring data summary	8
	<i>National Strategic Plans (NSPs) Screening Results</i>	<i>9</i>
	<i>Rural Development Plans (RDPs) Screening Results</i>	<i>13</i>
	<i>Overview of 2002-2006 monitoring data</i>	<i>26</i>

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 European Network for Rural Development Contact Point. 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 16 National Strategic Plans (NSP's) and 60 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.

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.

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

2.1 The National Strategy Plans (NSP's)

The NSPs of the sixteen Member States with delimited mountain LFAs plus the UK (where no mountainous LFA are designated but were reviewed).

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 60 RDP's:

2.2.1. Summary of main LFA measure (211)

Of the 60 RDPs screened (in 16 MS), 49 apply measure 211, 11 apply a combination of measure 211 and 212.

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 identifies 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 (56). The general trend followed by the RDPs is to combine holding size criteria with altitude/ slope criteria, with varying degrees of complexity. The

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

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 channelling 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 45 RDPs), often implemented together with criteria related to the type of farming/cultivation (37 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.

The range of the first per ha payment criteria (the minimum holding size eligible) also varies enormously between RDPs, 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 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).

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.

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

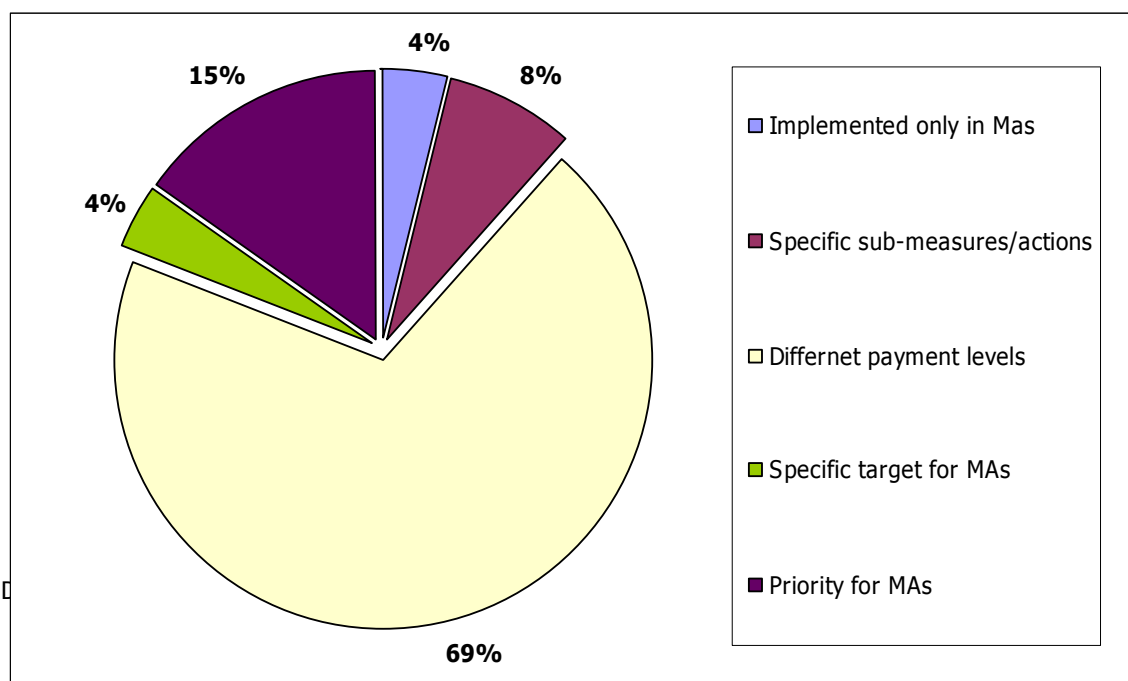
Measure 214 is the most frequently used amongst the other measures explicitly addressing the needs of mountain areas. According to the results of the screening it is included in this capacity in 35 (57%) of the RDPs. The analysis reveals a highly varied approach in the use of eligibility criteria in 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.

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.

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 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:

- 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;
- 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 Measure 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).

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 (42,6 % according to Eurostat, 2000), mainly located along its Northern borders (Pais Vasco, Asturias, Cantabria). 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 (Andalucia) 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.

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 afforestation of agricultural land measures are complete. The MS with mountain areas considered in the analysis³ are AT, BG, CZ, CY, DE, GR, ES, FI⁴, 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.

³ Selected as per the definition given in Reg. (EC) 1257/99 Art.16 -20)

⁴ Finland presents specific areas that are assimilated to 'mountain areas'.

National Strategic Plans (NSPs) Screening Results

Scope: The NSPs of the 16 MS with delimited mountain LFAs were reviewed.

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.

1.2 Are there (other) elements in the NSP which could be particularly relevant for mountain areas?	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:
Element 1	<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.
Element 2	<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.
Element 3	<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;
Element 4	<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.
Element 5	<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).

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							
	Member state	Yes/ No	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	Link of NSP with RDP's (low/medium/high)
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	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		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	

Rural Development Plans (RDPs) Screening Results

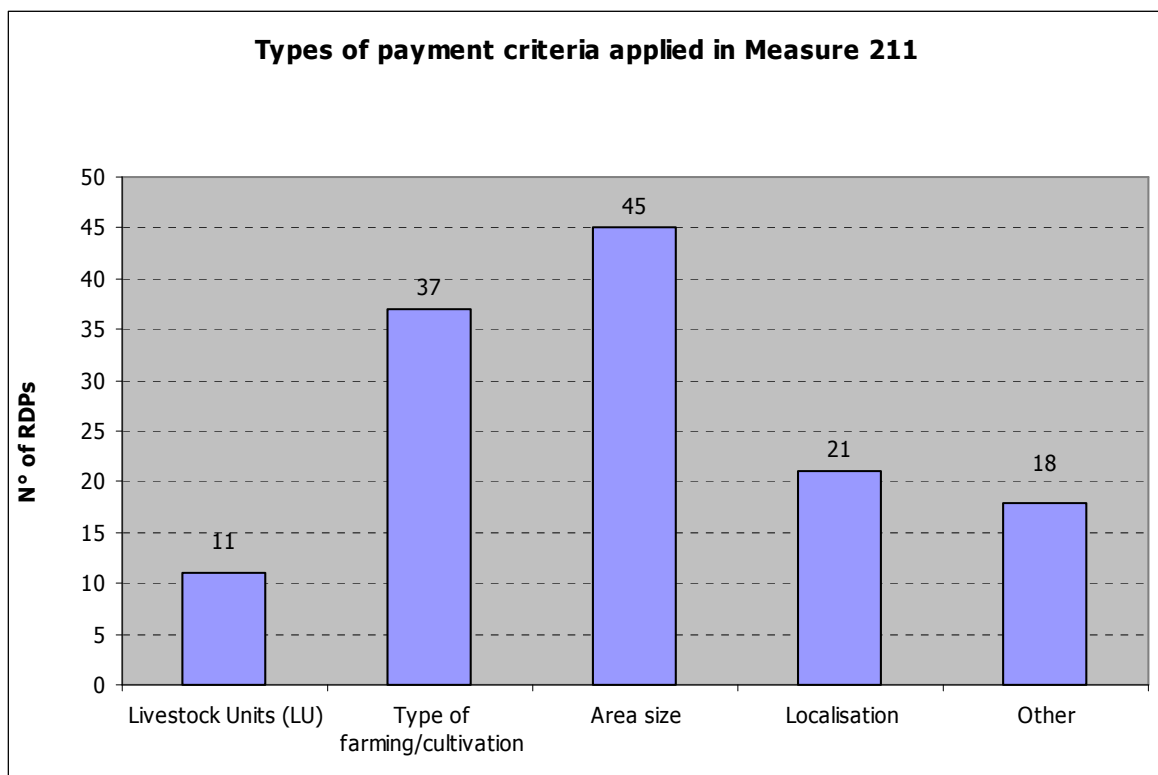
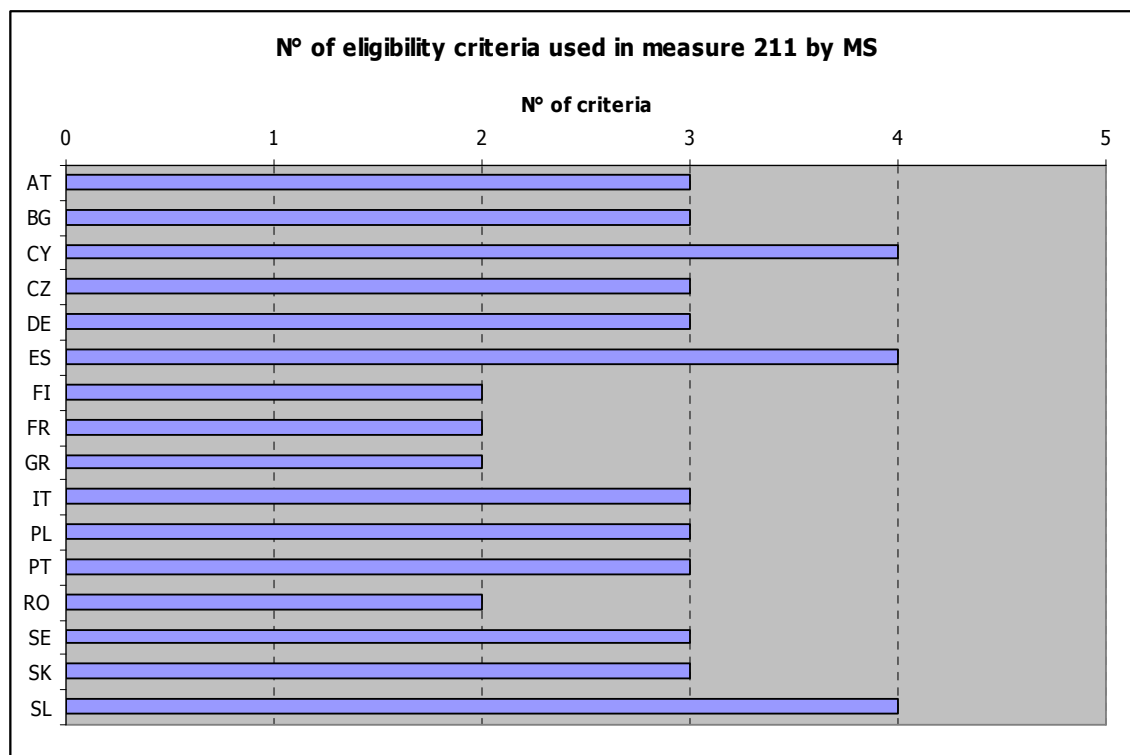
1. Summary of LFA measure

The following elaborations are based on the analysis undertaken for 61 RDPs (17 MS). 49 RDPs apply Measure 211, while 11 RDPs (CY, CZ, ES-Murcia, ES-Asturias, PL, PT-Continente, PT-Madeira, SE, SL, SK, FI-Continental) apply measure 211 and measure 212 together.

The holding size criteria has been applied in most RDPs (56), 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.

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

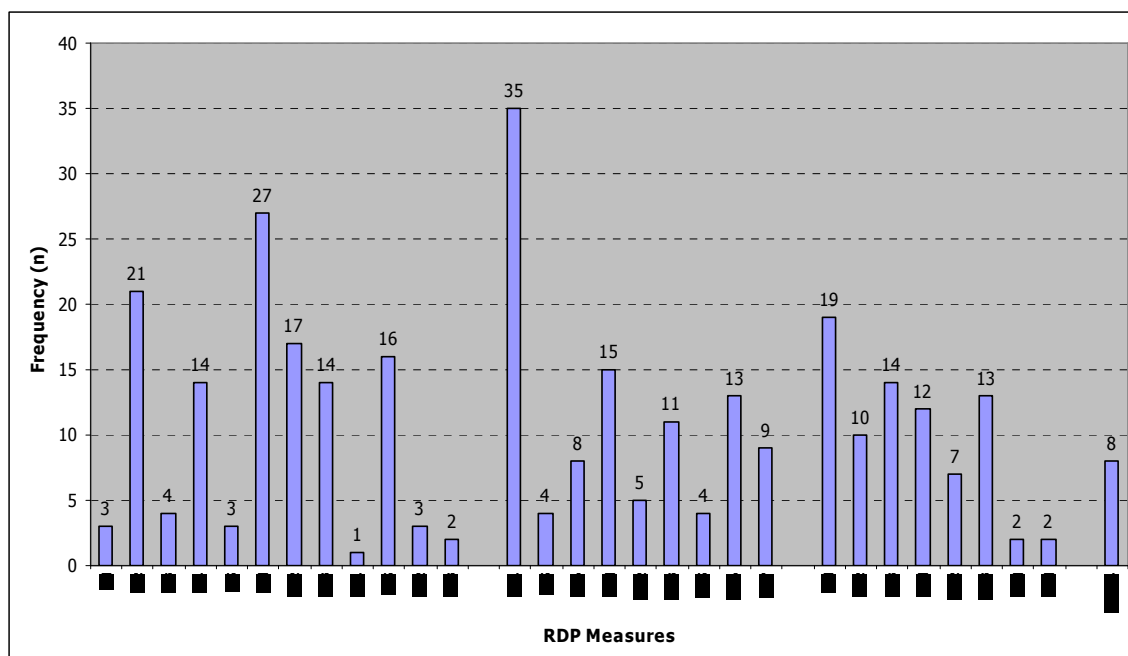
NB: Two Spanish RDPs applied measures 211 and 212 jointly,



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

The following analysis is based on the data provided in 61 RDPs fiches (16 MS) excluding UK-Scotland (specific information on the Scottish RDP is provided separately, if relevant).

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



A consistent number of measures across the 61 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.

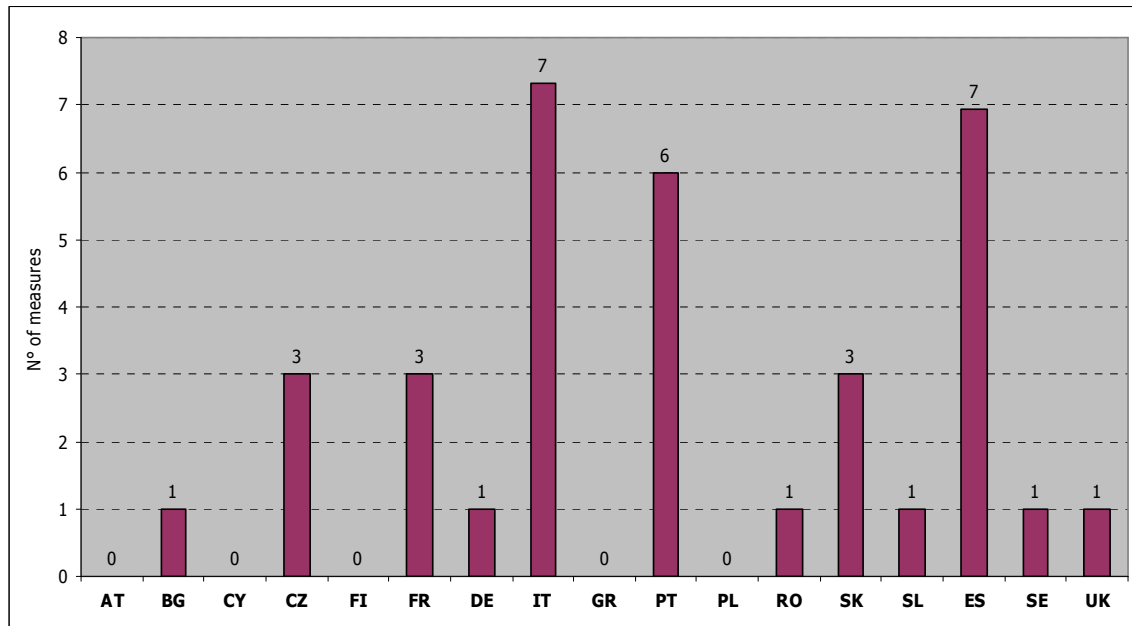
Measure 214 appears to have the highest connection with mountain farming having been targeted to it in 35 RDPs (in UK-Scotland, the measure also shows a connection with the regional specific LFA areas). Apart from this measure, Axis 2 shows a relevant connection with the topic principally concerning 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

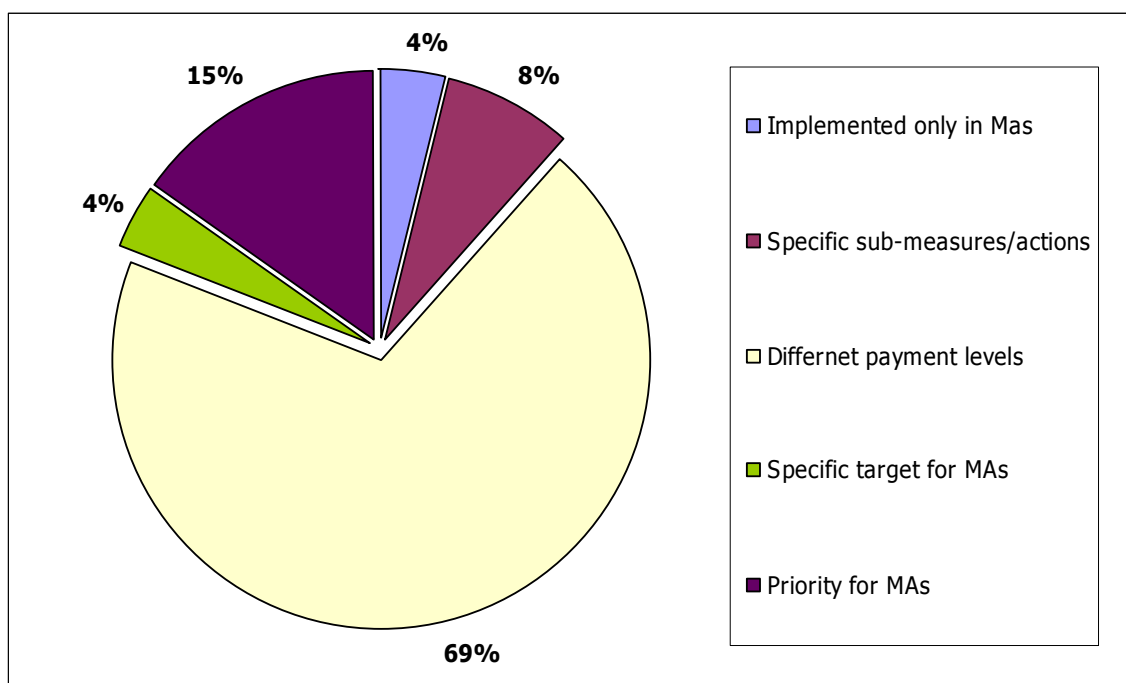
Axis 1 investment measures 121, 122 and 112

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.

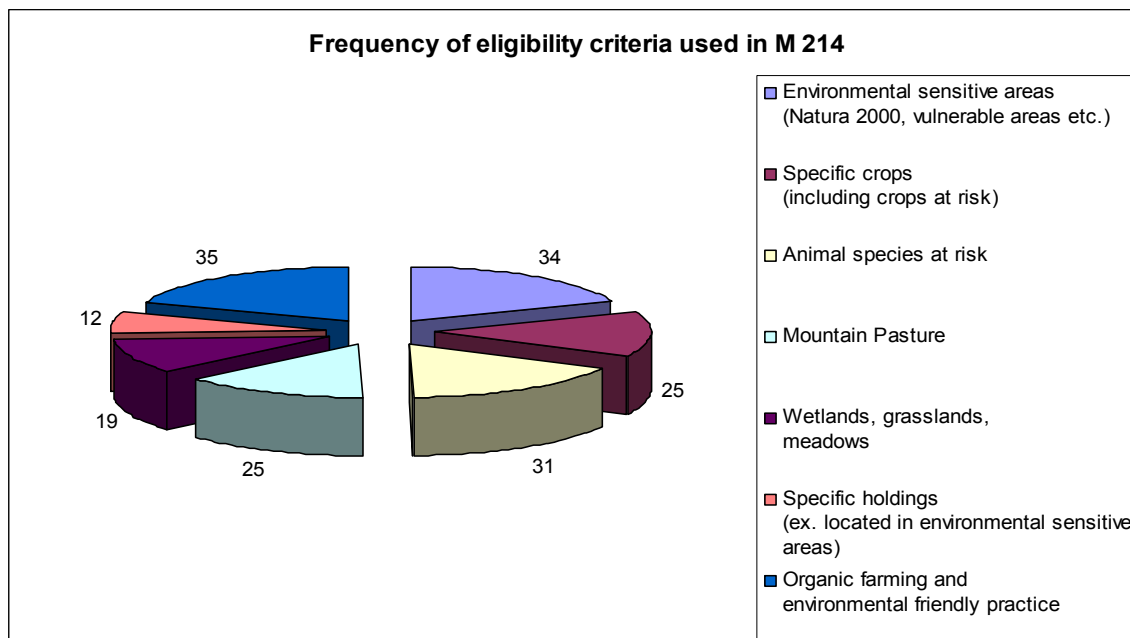
Measure 214 is the most frequently used among the other measures explicitly addressing the needs of mountain areas. According to the results of the screening it is included in 35 RDPs⁵.

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 – Catalunya – Murcia, and UK – Scotland, more complex frameworks were established, opting for the use of 5 eligibility criteria.

⁵ 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).



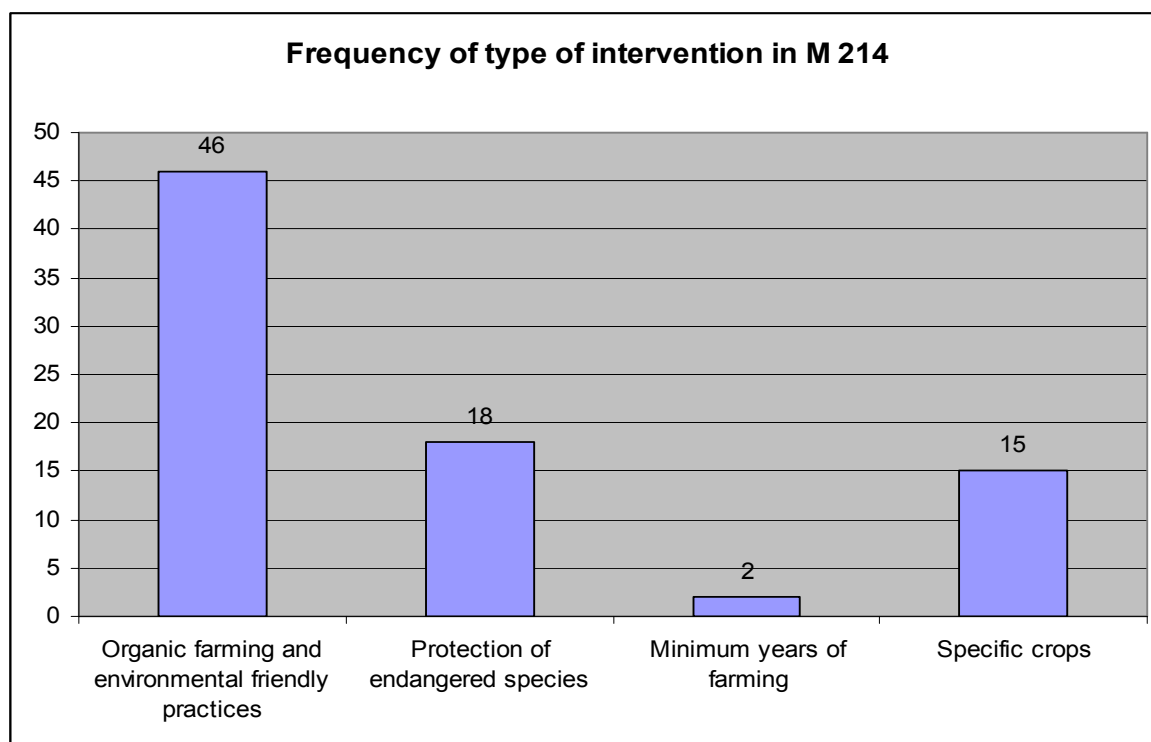
By analysing the type of intervention and the aid level, Organic farming and environmental friendly practices is the most frequent intervention (in 46 RDPs), followed by Protection of endangered species (in 18 RDPs) and Specific crops (in 15 RDPs), whilst the minimum years of farming is used only in 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

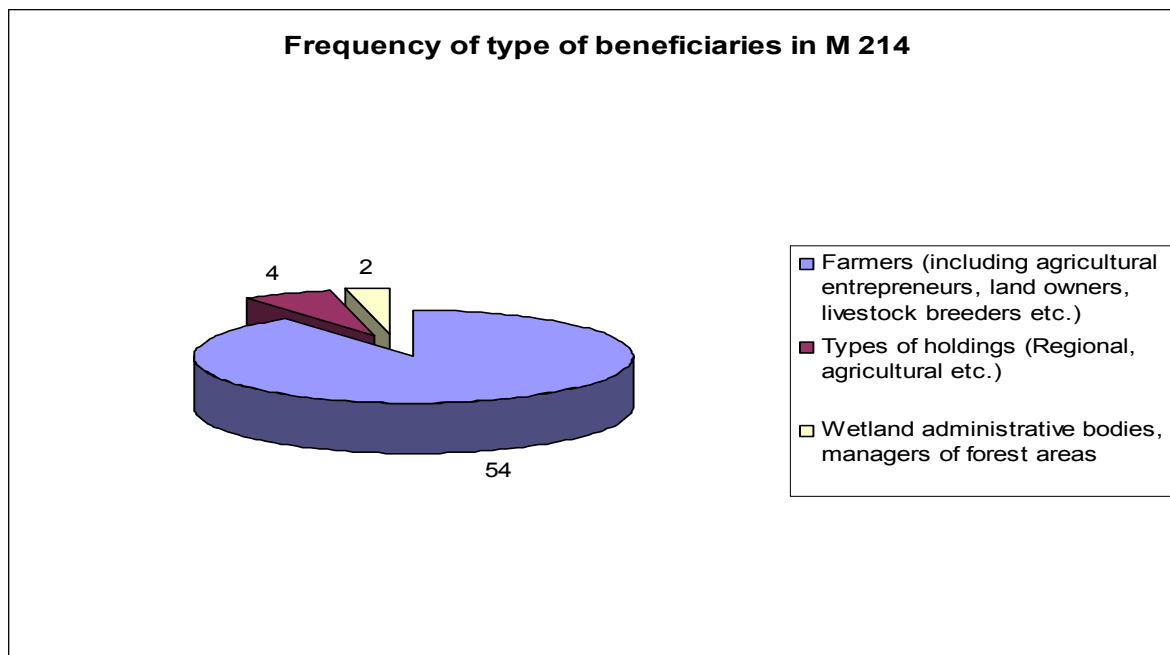
Italia – Veneto	Italia – Bolzano	Germany – Bavaria
Action 1 - Maintenance of stable meadows in non-vulnerable areas (incl. mountains): In mountain areas: EUR 217/ha.	The amount of aid must be EUR 360/ha for mountain meadows.	Ensure a proper management of grazing in the mountain, supervision by regular 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 criteria 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.

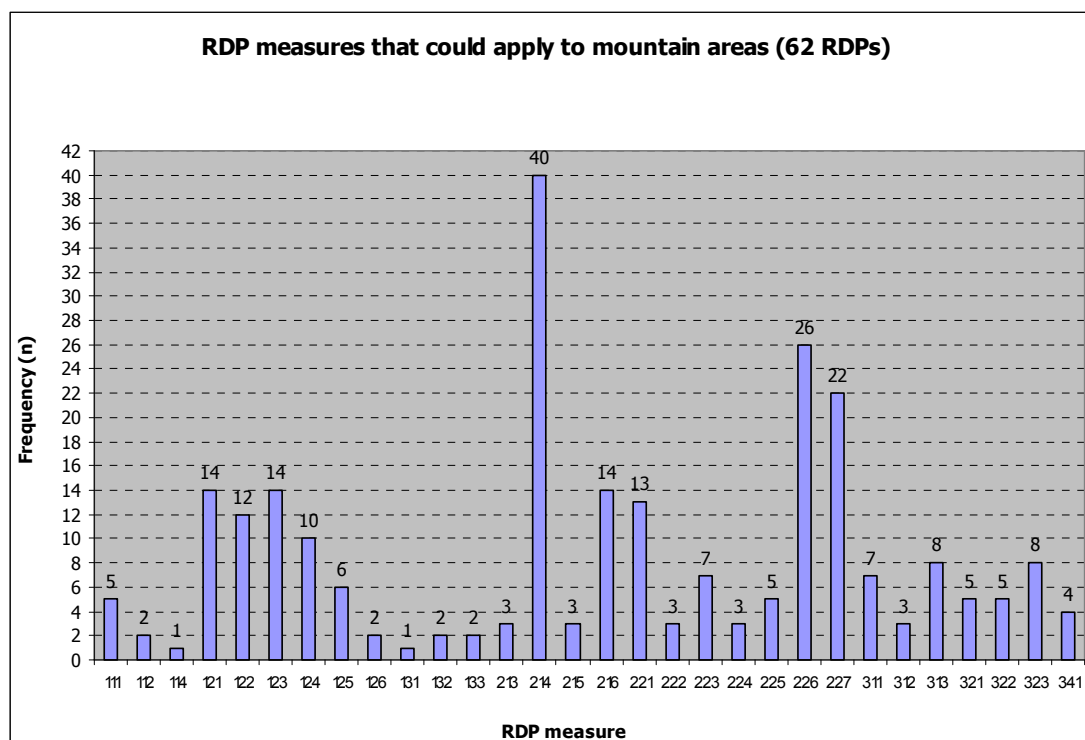
In this context the analysis shows that among the Axis 3 measures, measure 311 has been directly linked to the support of mountain areas in 19 RDPs (among which 16 Italian RDPs, FR-Reunion, Navarra and Cataluña for Spain). In practically all cases, this link is provided by an explicit targeting to mountain 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 RDPs⁶. Other measures of Axis 2 have considered to have a particularly relevance are measure 216 and the forestry-related measures 226 and 227⁷.

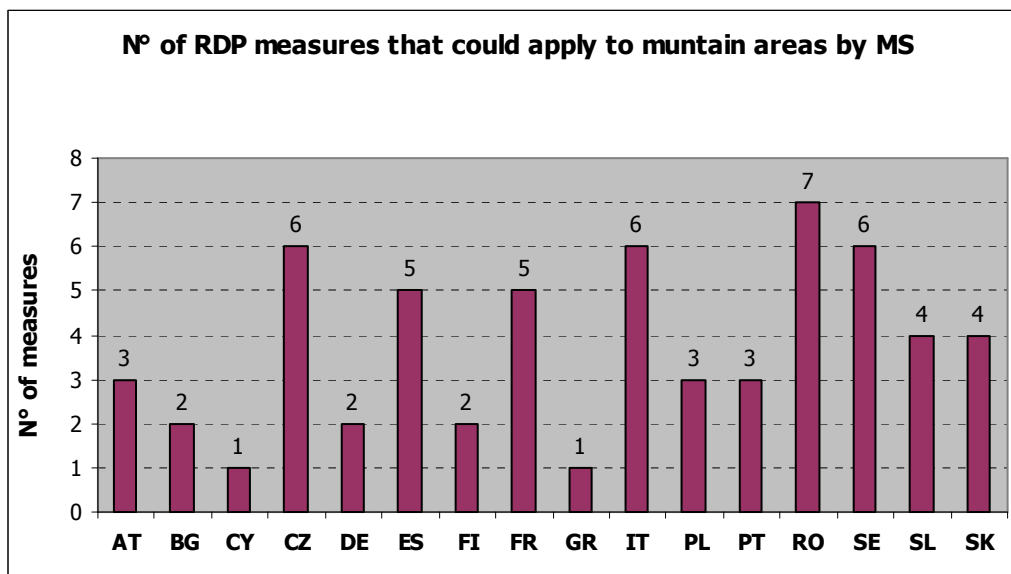
⁶ In Finland – Mainland, the *Organic farming and environmentally friendly practices* criterion is considered linked to MF because “Land in mountain areas are likely to be highly suited to extensive organic production systems”. (Finland – Mainland RDP fiche).

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).

⁷Where 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 identified⁸.



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

⁸For 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.

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), Finland⁹ (FI), France (FR), Italy (IT), Austria (AT), Portugal (PT), Sweden (SE).

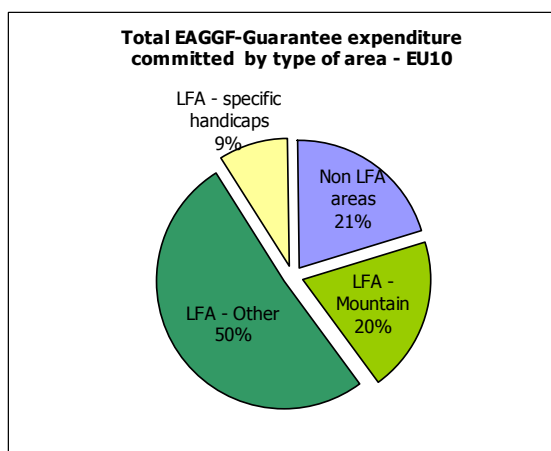
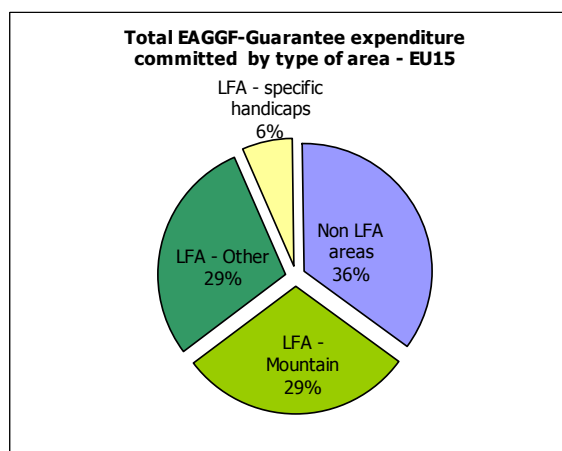
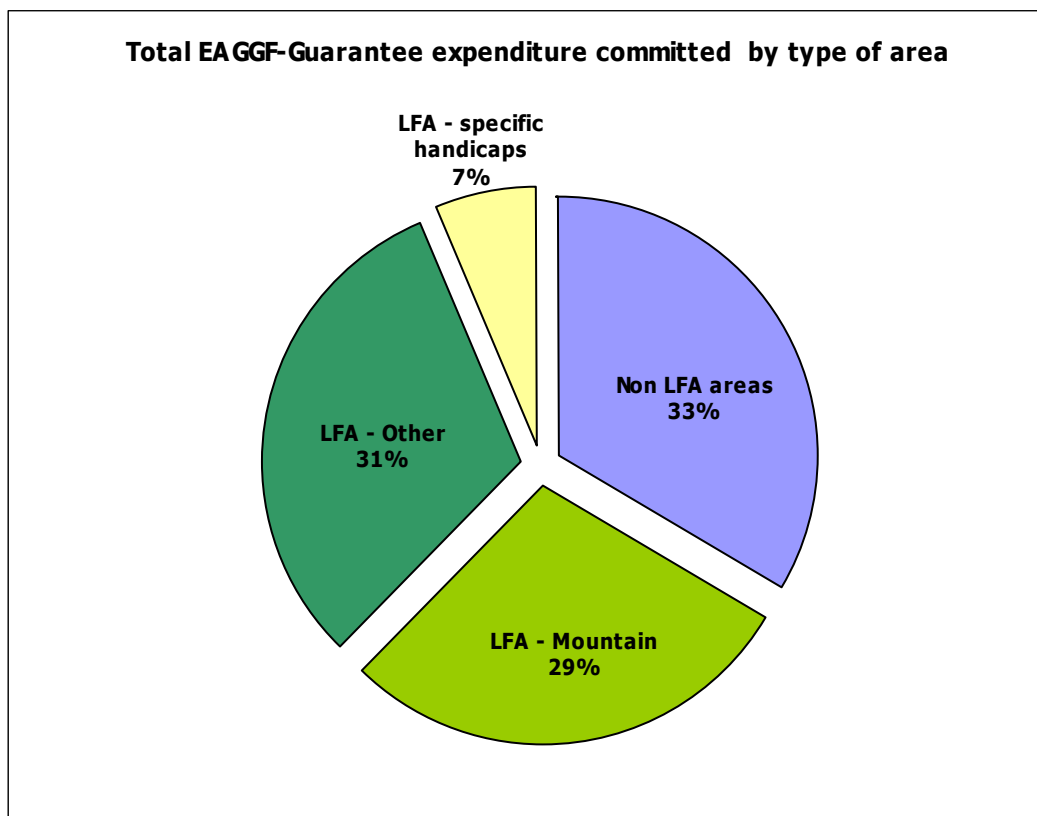
For EU-10: Bulgaria (BG) Czech Republic (CZ), Cyprus (CY), Romania (RO), Slovenia (SL), Slovakia (SK), Poland (PL)

(Bulgaria and Romania are not considered in the analysis)

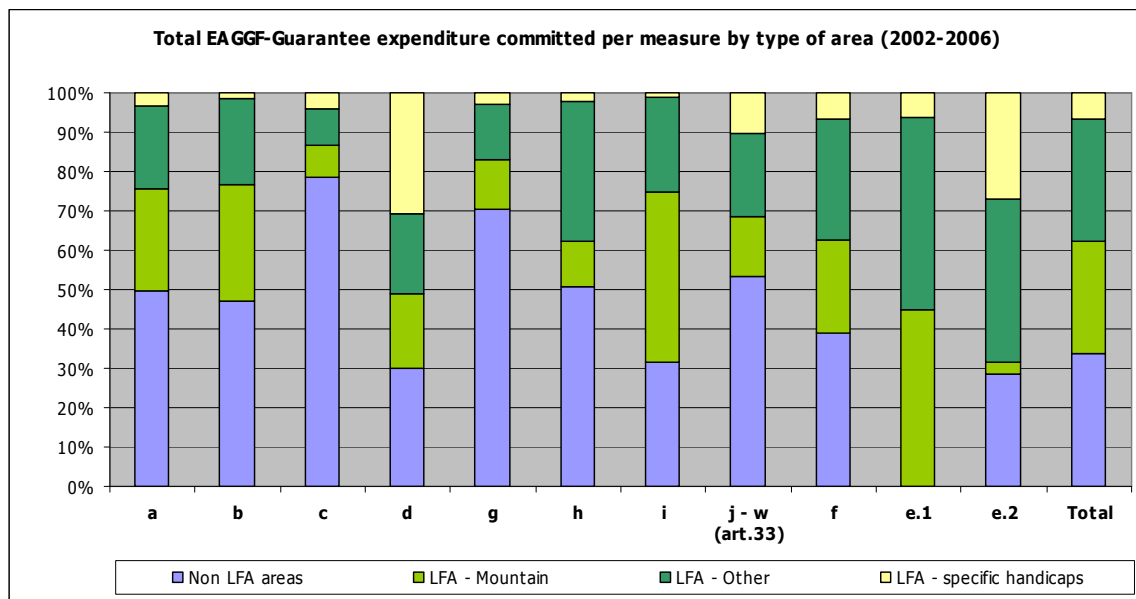
⁹ Finland presents specific areas that are assimilated to 'mountain areas'.

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).

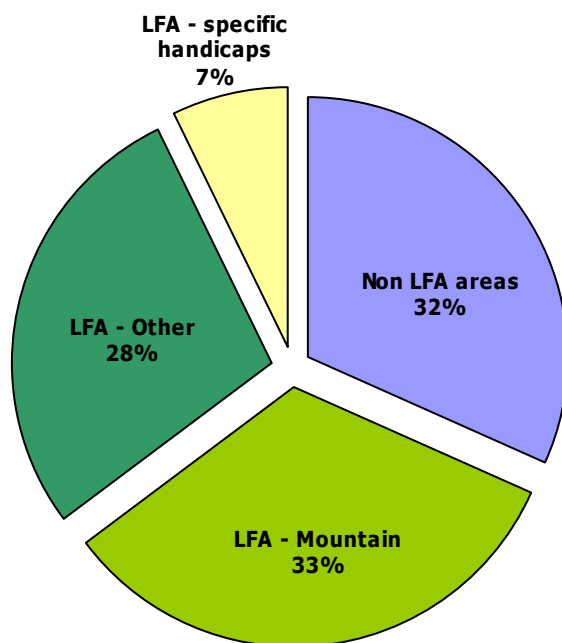


- The share of the of the total EAGGF-Guarantee expenditure allocated to LFA areas in the EU 25 during the past programming period is 67%, of which the 43% (29% of the total) has been allocated to mountain areas.
- The share allocated to mountain areas in the new Member states (2004-2006 data) is lower 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%).

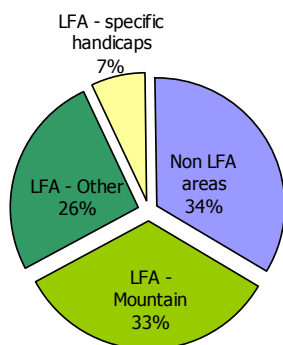


- The weight of the expenditure allocated to the LFA areas in general and that allocated to Mountain areas does not change significantly when taking in consideration only the MS with designated mountain areas.

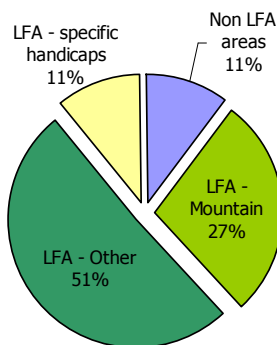
**Total EAGGF-Guarantee expenditure committed by type of area
(MS with mountain areas)**

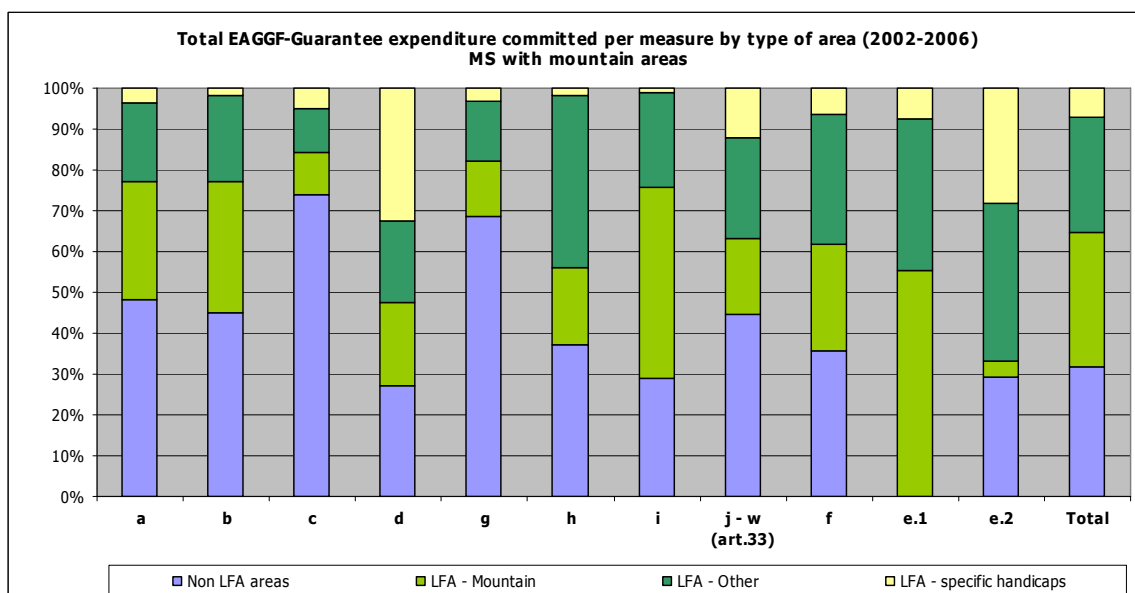
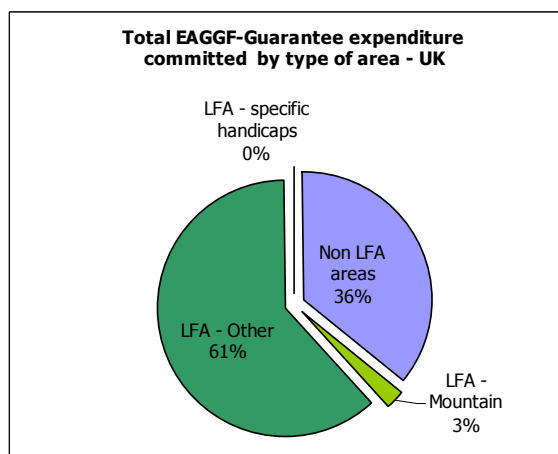
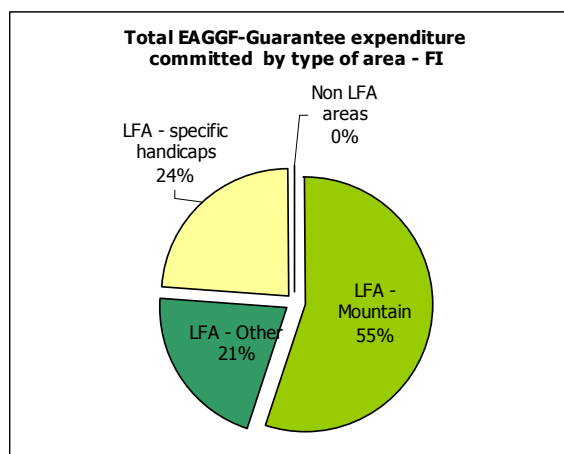
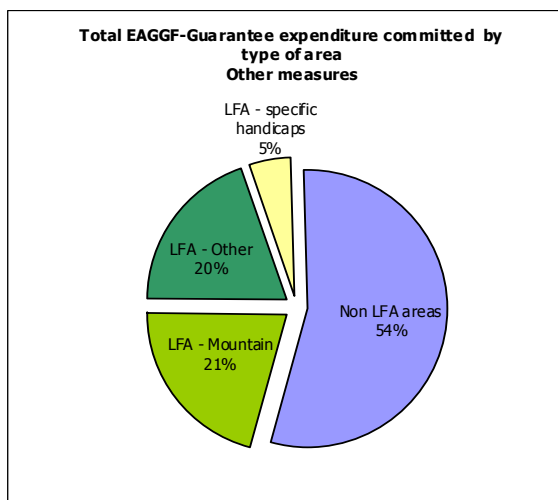
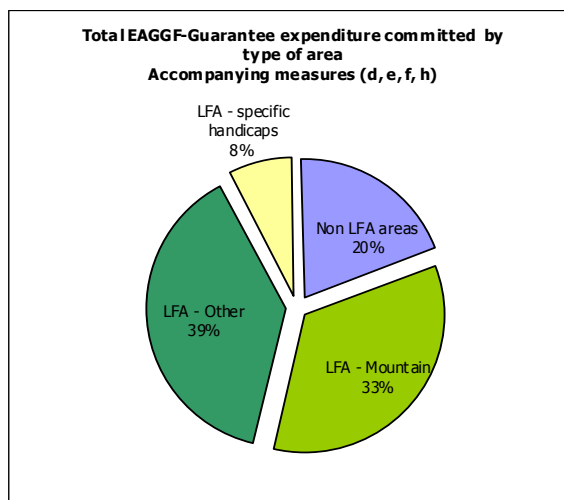


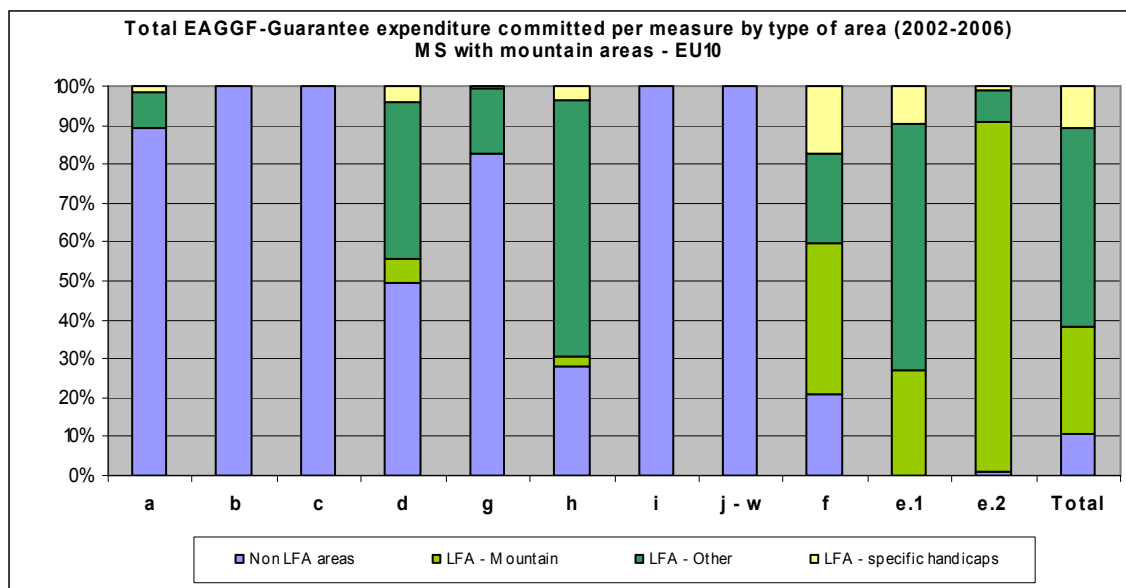
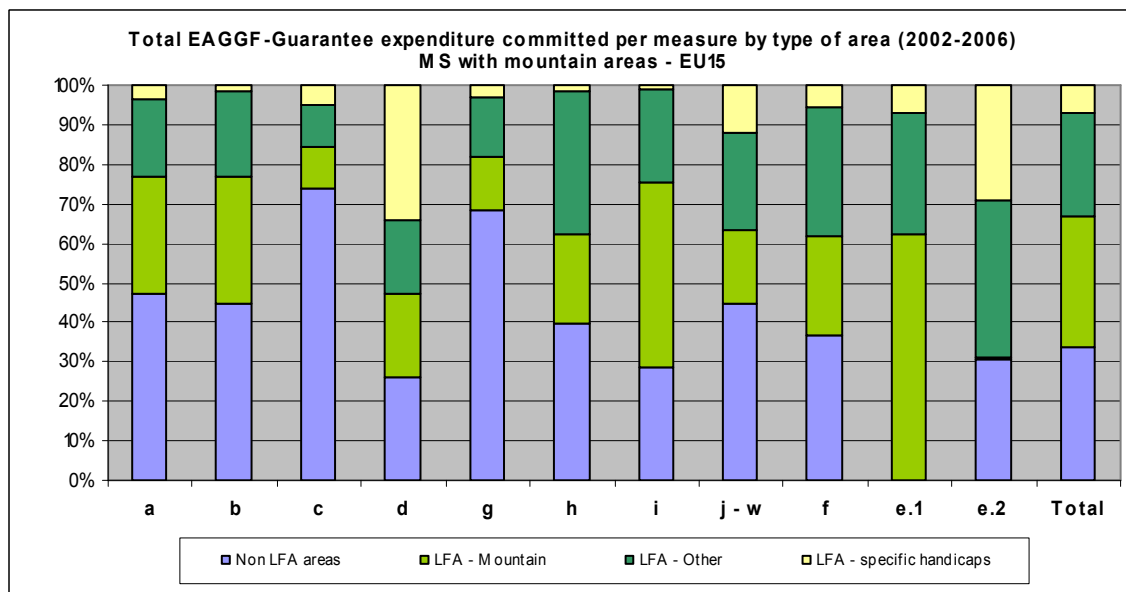
**Total EAGGF-Guarantee expenditure committed by type of area - EU15
(MS with mountain areas)**



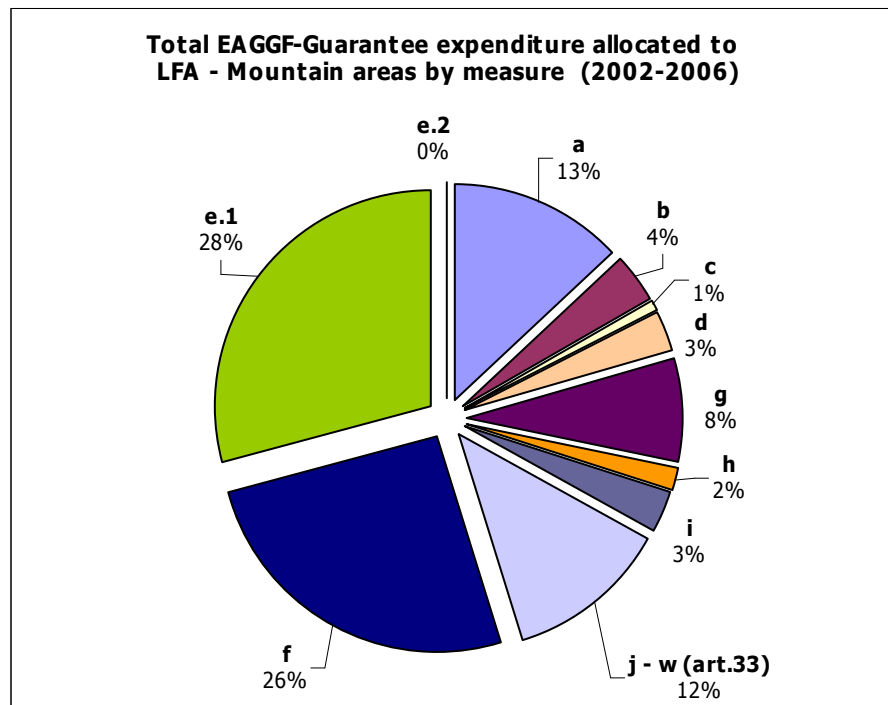
**Total EAGGF-Guarantee expenditure committed by type of area - EU10
(MS with mountain areas)**



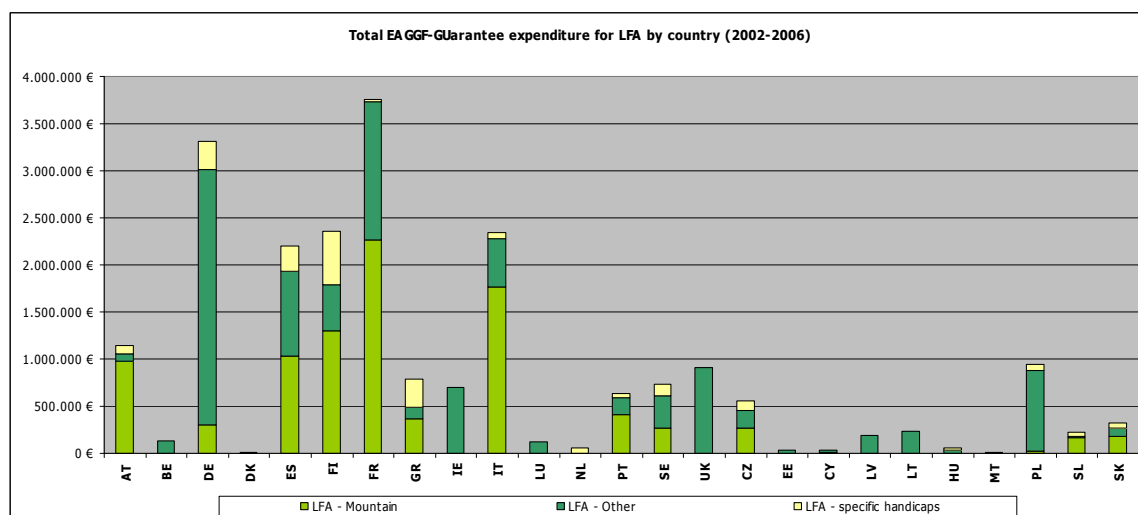


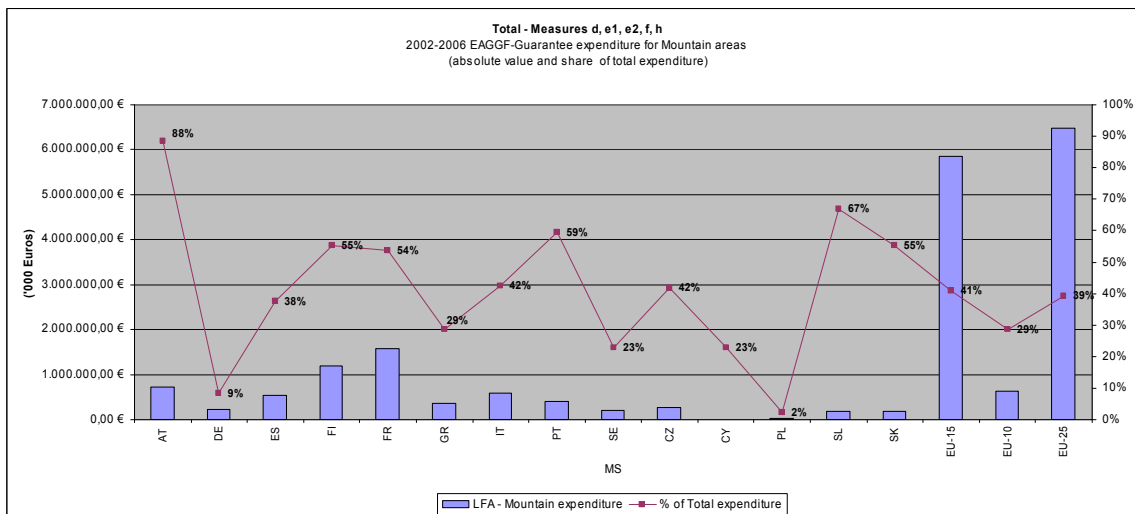
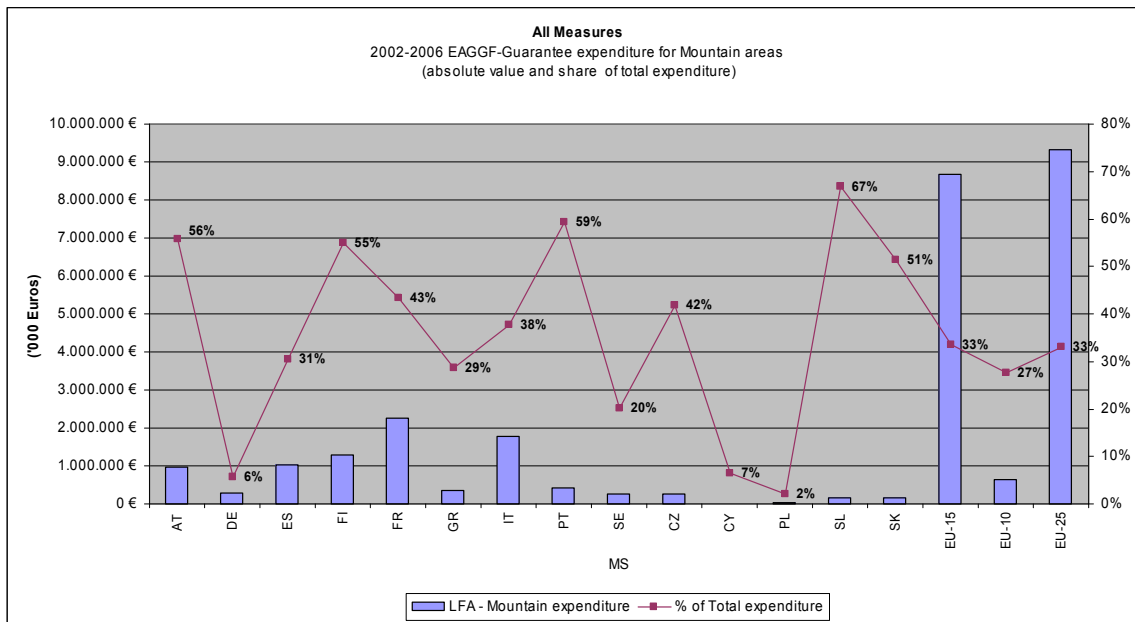


- The total EAGGF-Guarantee expenditure committed to mountain areas by measure shows that more of the half of public expenditure (54%) has been channelled through measures (e.1) and (f).
- However, measure (a) together with the measures under former Article 33 (j to w) contributes a further 25% of the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



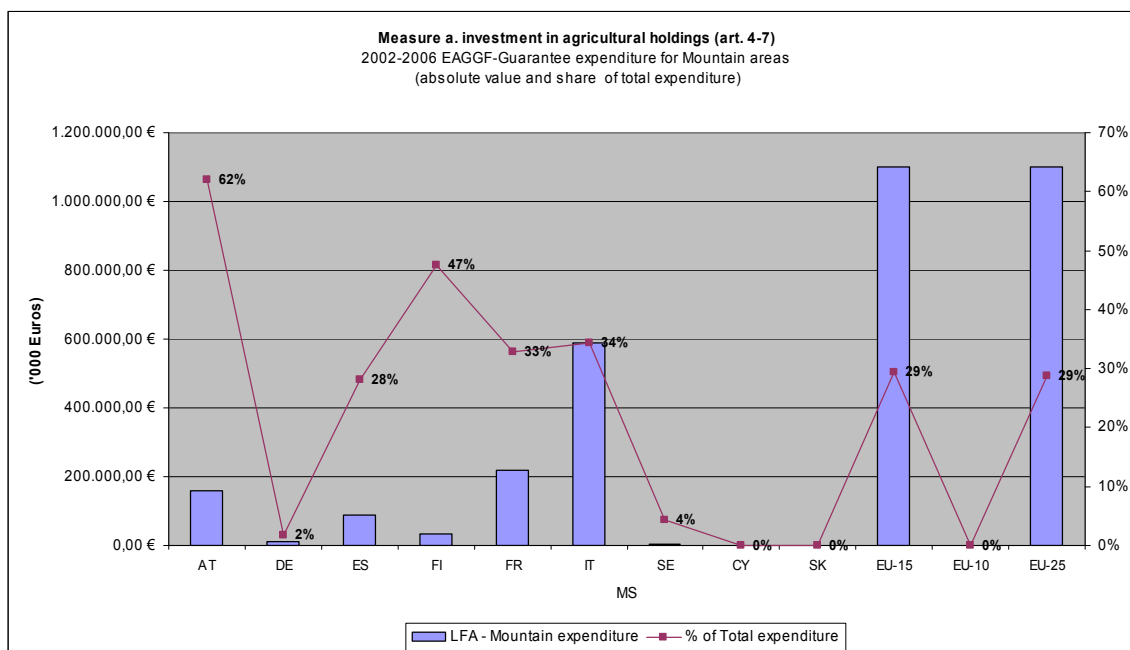
2. MS expenditure in Mountain areas

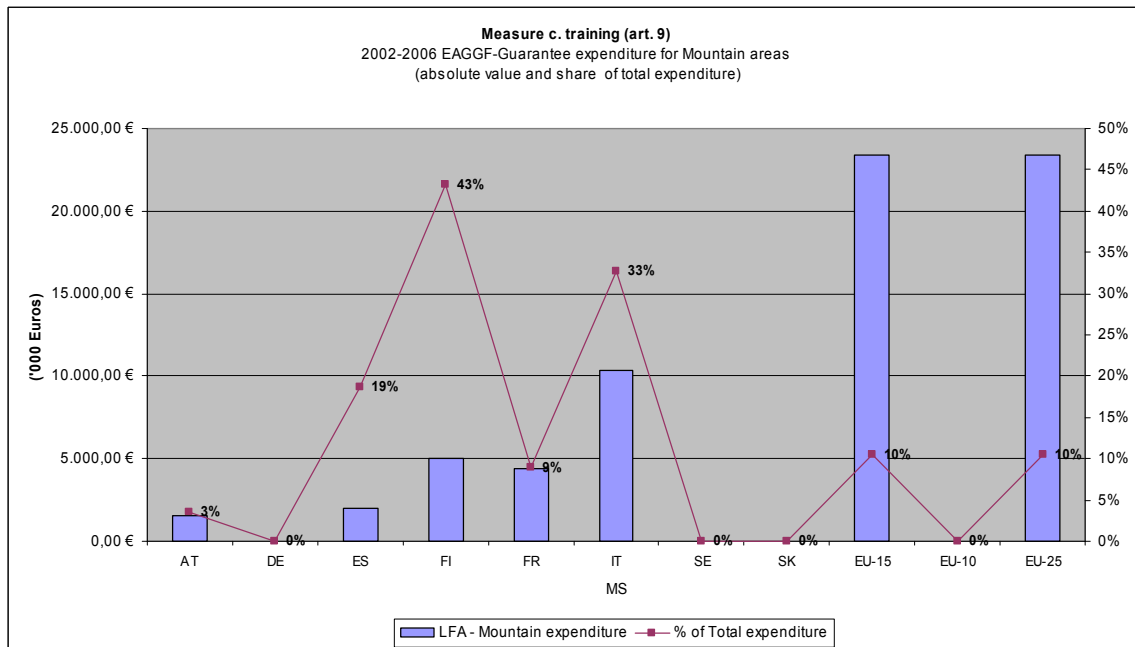
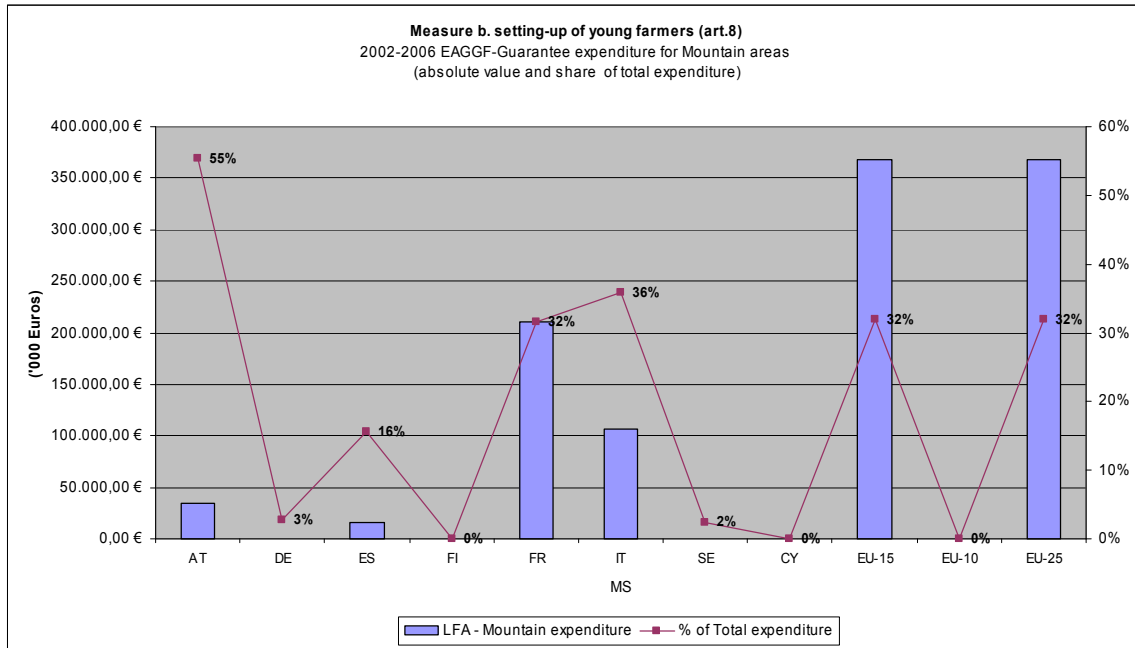


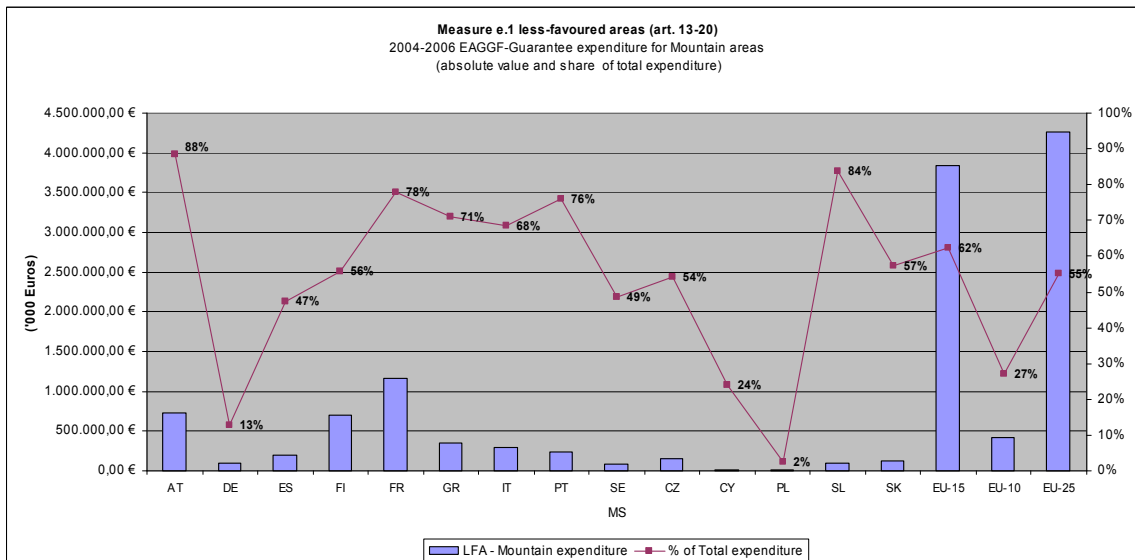
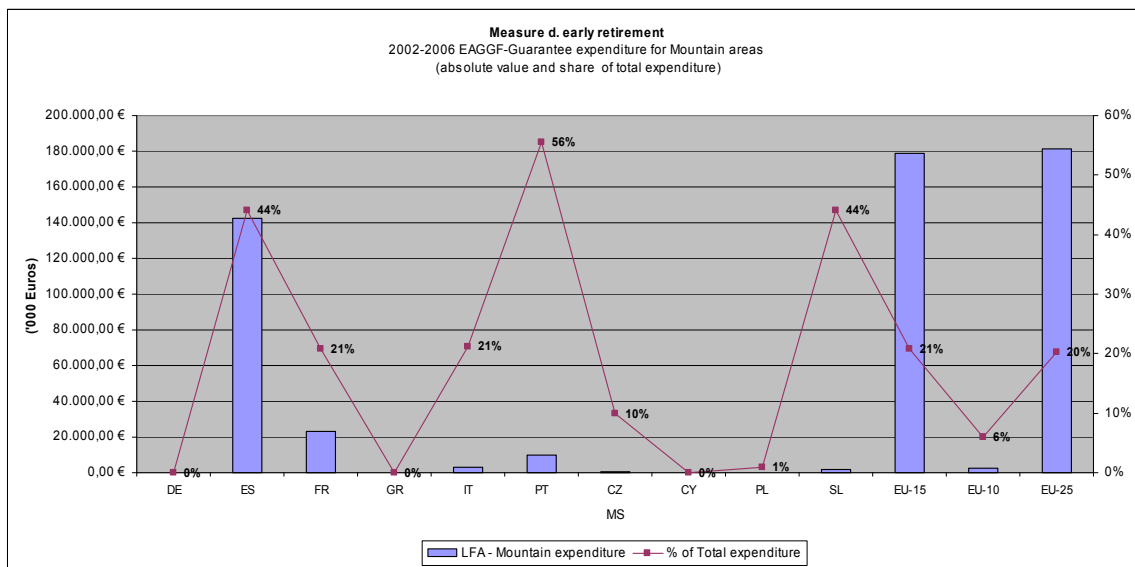


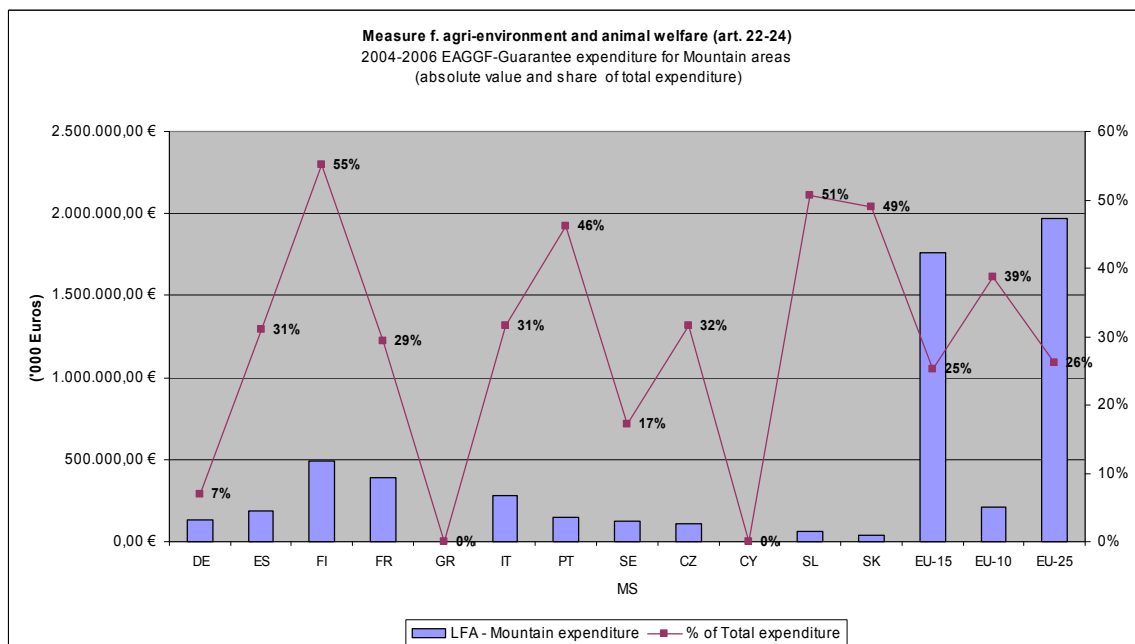
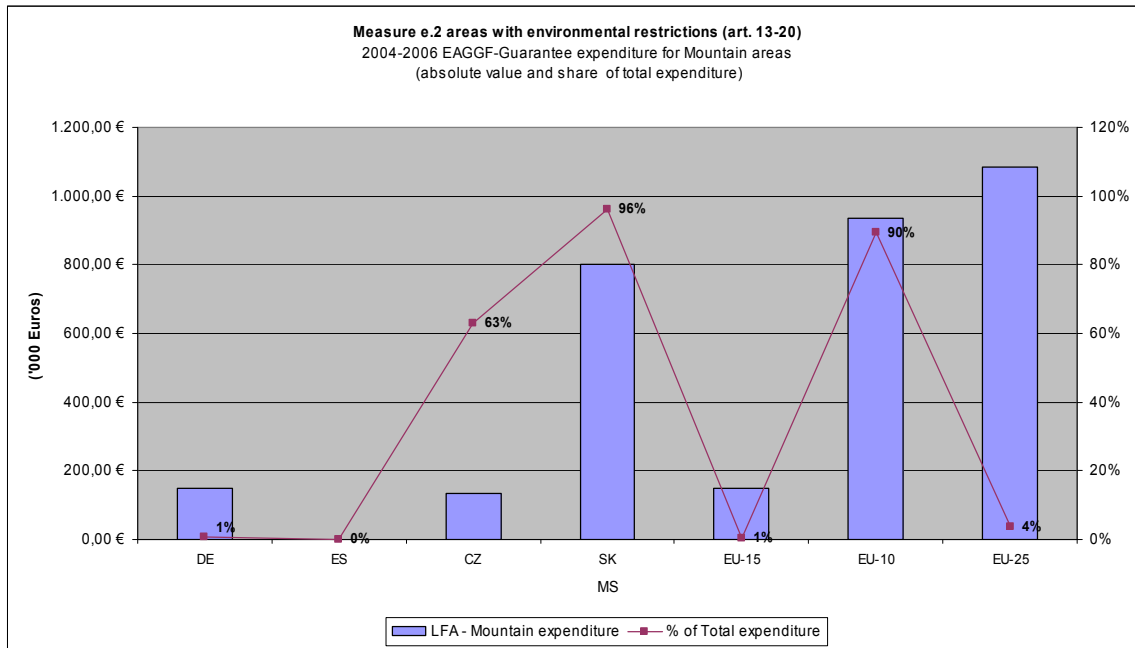
- Considering all the measures, in absolute values, FR (2,3 billions EUR) and IT (1,8 billions EUR), have spent the most on Mountain areas, followed by FI, ES and AT.
- SL shows the highest share of total public expenditure allocated to mountain areas (67%) following by SK, FI, AT and PT whose shares 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).

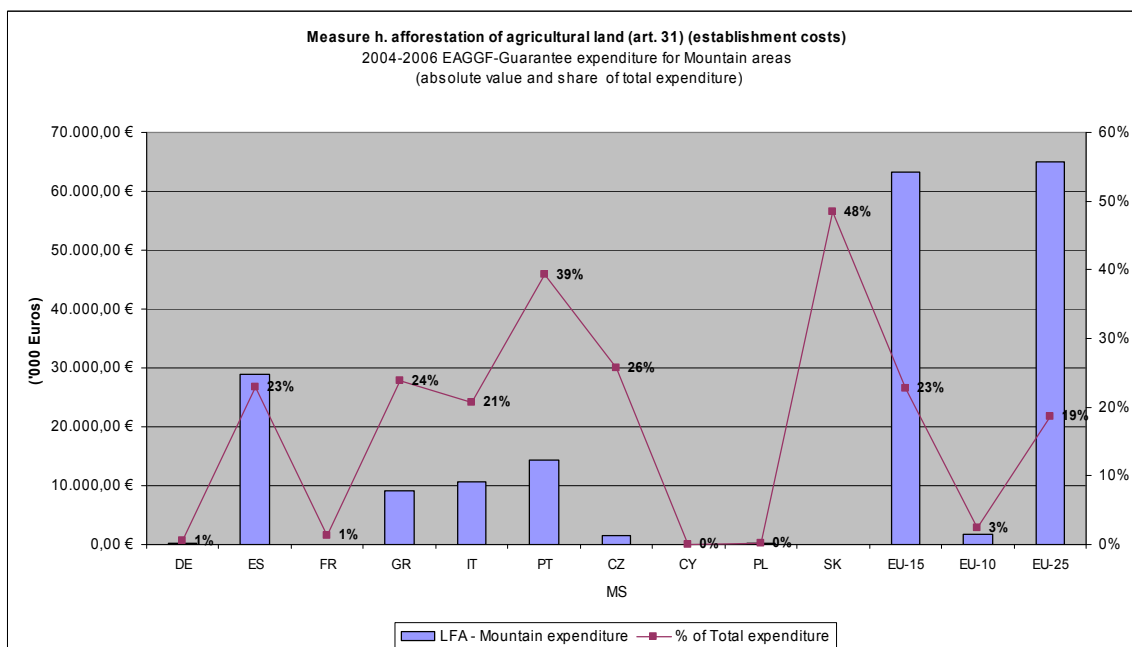
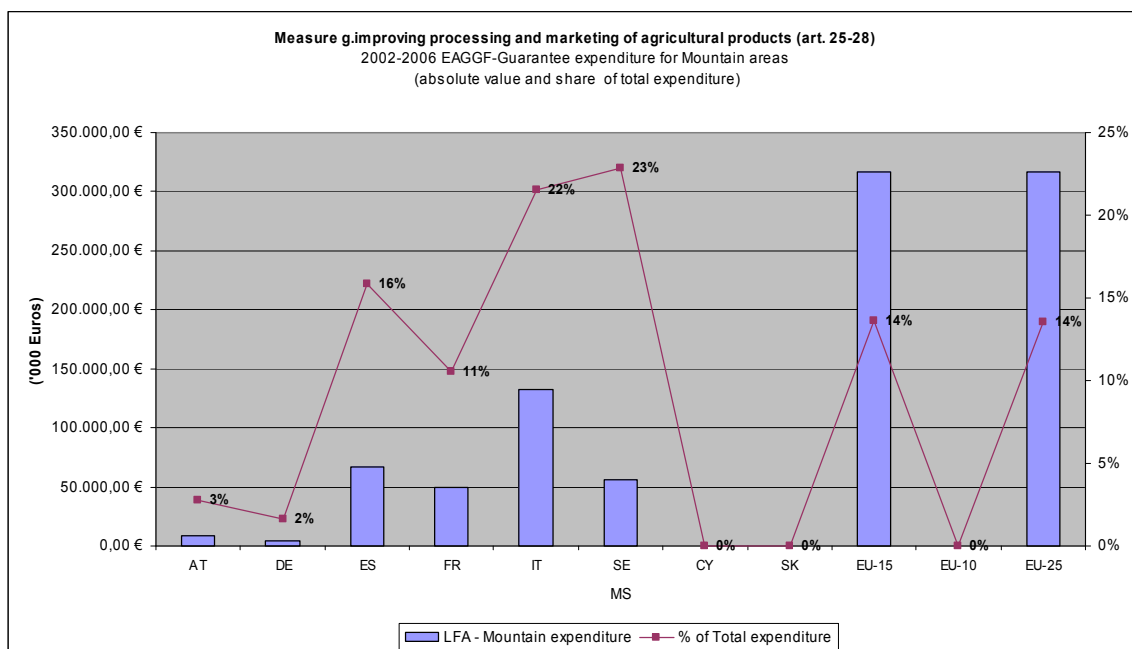
The following charts provide further details regarding specific measures (only MS where the measures are implemented are considered).

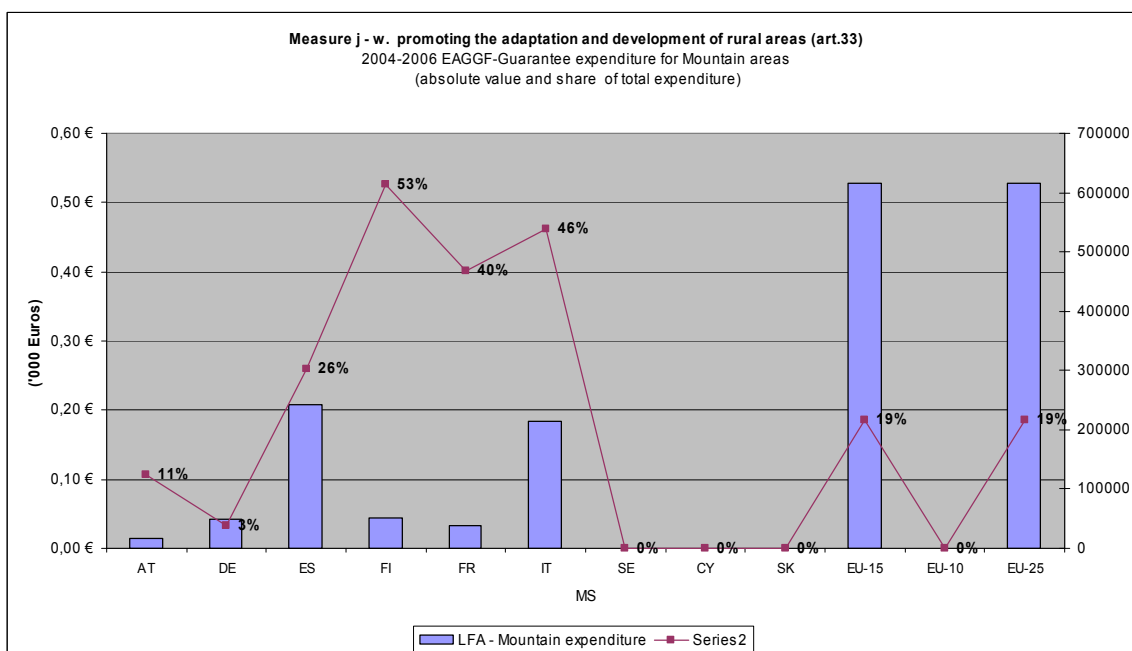
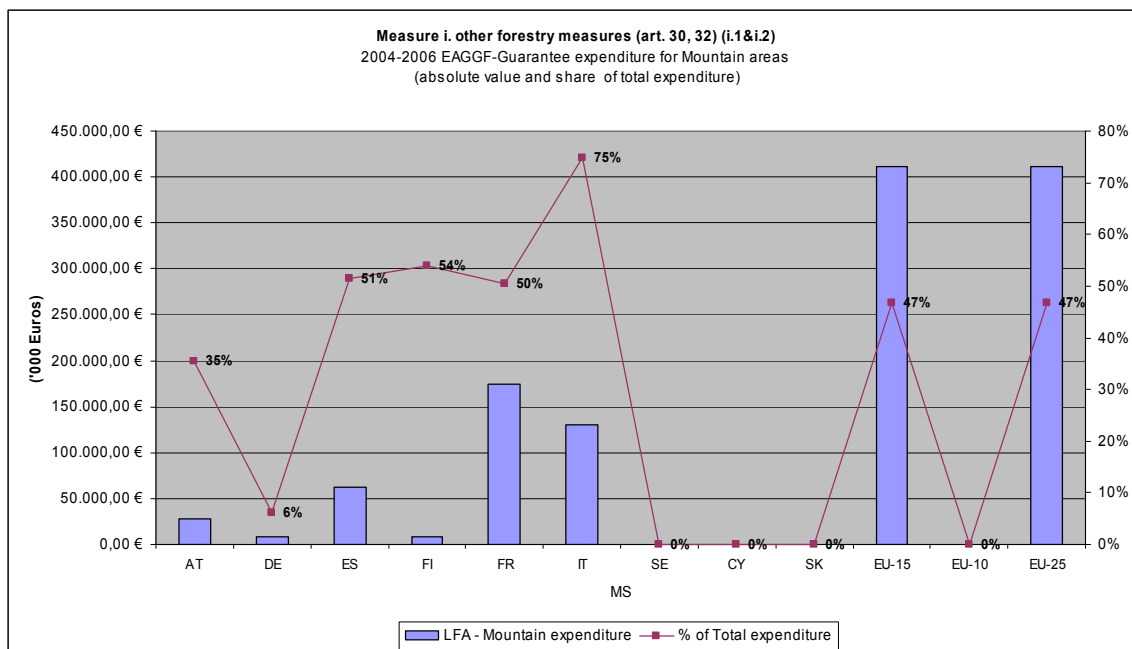




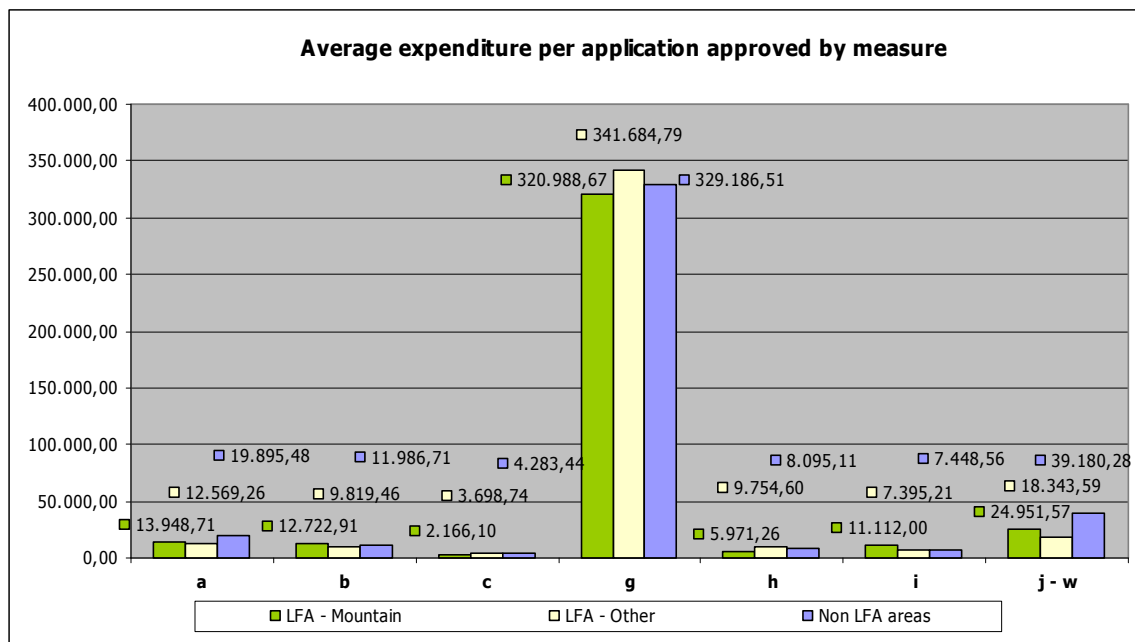








3. Comparison of average expenditures between different types of area



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).

