

WORKING DOCUMENT

MEMBER STATE: Spain

REGION: Castilla La-Mancha

1. APPROVED PROGRAM

RDP Castilla La-Mancha (CCI 2007 ES 06 RPO 007) was approved by Commission Decision C (2008) 3832 of 16 July 2008.

2. LEGAL BASIS OF THE MODIFICATION:

- Modification related to the first implementation of Article 16a of Regulation (EC) No 1698/2005
- Article 6(1)(a) and 7, points 1. b) and c) of Regulation (EC) No 1974/2006 (Commission decision after opinion of the Rural Development Committee).
- Article 6(1)(c) and 9 of Regulation (EC) No 1974/2006 (notification for information of the Rural Development Committee)

This modification proposal was sent via SFC to the Commission on the 15 July 2009, following its approval by the Monitoring Committee of RDP Castilla La-Mancha (by written procedure of the 3rd and 9th July 2009).

3. REASONS JUSTIFYING THE AMENDMENT / STRATEGY CHOSEN

➤ In Castilla La-Mancha (CLM) the additional EAFRD funds amount to EUR 70.352.874 from the "Health Check and Recovery Package". These funds will be destined to existing measures (measures 121, 123, 125 and AEM sub-measure under 214) to increase the EAFRD co-financing rate up to 90% for those operations included as new challenges. Moreover 5 new sub-measures will be created in existing measures:

Sub-measure 111.2 "Information and knowledge dissemination about wild fauna and flora for their sustainable use"

Sub-measure 114.2 " Use of advisory services for sustainable forestry management"

Sub-measure 115.2 " Aid for the setting up of advisory services for the improvement of water resource management"

Sub-measure 121.4 " Production of energy crops"

Sub-measure 214.13 "Agri-environmental support for extensification and promoting grazing in sheep/goat holdings"

These measures cover 5 of the 7 priorities established in article 16bis of EC Regulation 1698/05, which were considered the most interesting for the region. These are: Climate Change, Renewable energies, Water resource management, Biodiversity and Accompanying measures for the restructuring of the milk sector.

➤ CLM has also decided to allocate the additional EAFRD amount of EUR 138.638.670 from the "Wine CMO reform and modulation adjustments to Axis 2 measures in particular the agri-environment measure. The main part of these funds or EUR 70.312.500 will be allocated to new agri-environmental sub-measure, namely sub-measure 214.12 titled "Environmental integration of vine growing in dryland". This sub-measure is specific to the cultivation of vines in dryland employing the goblet system due to its important environmental role in mitigating erosion, their efficiency in water use and favouring biodiversity. In many instances this type of vine cultivation is being substituted by more intensive practices with the resulting loss of the above mentioned environmental benefits. Another EUR 25.118.267 will be directed to the remaining sub-measures in measure 214 particularly "Organic agriculture" given the higher than expected number of requests for support under this measure as well as the important environmental role presented by this measure in the region. The remaining EUR 43.207.903 will be distributed amongst remaining axis 2 measures.

➤ Other modifications have also been proposed including the creation of new sub-measures, correction of errors, transfer of funds between axes of less than 1% of the total EAFRD contribution, changes in measures to bring them in line with the changes in the Community regulation, revision of indicators in the programme as requested by the Commission, revising the references to the National framework programme for Spain to bring it in line with the latter following its modification during this exercise, changes to a number of measures namely in the beneficiaries and/or scope of action to ensure their better implementation, revision and introduction of demarcation between first and second pillar, changes in the administrative structures and Monitoring Committee given the recent changes in the national and regional administrations. These changes are mostly of a technical nature and intended to improve the implementation and monitoring of the programme as well as facilitate the uptake of measures by the beneficiaries, and to update legal references.

- **Coherence with the National Strategy Plan and the Spanish National Framework**

All proposed amendments are in line with the proposed version of the **Spanish National Strategy**.

In particular, the proposal to focus the new HC/RP financial allocation primarily towards the priorities of "**renewable energies**", "**water management**" and "**biodiversity**"(Art. 16a (1b, 1c & 1d) of Council Regulation (EC) No 1698/2005), is perfectly coherent with the text of the National Strategy Plan. The new investments/actions proposed in the revised RDP Castilla La-Mancha, addressed to these priorities, will certainly contribute to achieve the goals set at national level.

The RDP Castilla La-Mancha is also fully coherent with the proposed text of the Spanish **National Framework**.

The actions and operations proposed by the National Framework Programme are structured in two categories: i) Horizontal measures to be compulsorily applied by all regional RDP's and ii) a number of common elements, for which regions can decide which to apply if any. A new "horizontal" (compulsory to all Spanish regional RDP) agro-environmental measure (code 214) is included under the coverage of the new challenge on **biodiversity** (Art. 16a (1d) of Council Regulation (EC) No 1698/2005). Actions covered under this measure should fall under at least one of the following areas: i) Organic production; ii) Preservation of genetic resources and iii) Extensification and local restoration of marginal habitats.

The RDP of Castilla La-Mancha complies with the horizontal measures as well as the common elements. With regards to agro-environment it complies with the framework in that it has sub-measures in the areas proposed by the framework programme. Moreover for the new priority of Biodiversity the region has created a new agro-environmental sub-measure under Extensification of livestock and grassland management and also strengthened the sub-measure of organic agriculture. The region has basically targeted five of the seven priorities listed in article 16a(1) of EC Regulation 1698/05 as described in the earlier sections and is therefore perfectly coherent with the text of the National Strategy Plan and the Framework Programme.

Furthermore, the allocation of the new funds from "**modulation adjustments**" and the "**Wine CMO**" to Axis 2, are also in line with the Spanish National Framework. Additionally, this modification proposal also foresees the allocation of a financial transfer from Axis 1 to axis 2 and 3.

4. DESCRIPTION OF THE AMENDMENTS PROPOSED:

This chapter is divided into three parts:

- 4.1: concerns modifications "Health Check and Recovery Package" - first implementation of Article 16a of Regulation (EC) No 1698/2005
- 4.2: concerns other modifications according to article 6(1)(a).
- 4.3: concerns modifications according to article 6(1)(c).

The opinion of the Rural Development Committee is needed for the modifications under points 4.1 and 4.2.

The modifications under point 4.3 are included in this Working Document only for consultation of the Commission services.

4.1. Modifications "Health Check and Recovery Package" - first implementation of Article 16a of Regulation (EC) No 1698/2005.

4.1.1. General description of the changes

The EAFRD amount available for RDP Castilla La-Mancha from the "Health Check and Recovery Package" is EUR 70.352.874. These funds have been allocated to the following measures and sub-measures as shown in the table hereunder. In some instances a new sub-measure which targets directly the new challenge described has been created (marked with*), whilst in others, new types of operations have been included in existing measures or sub-measures.

Axis / Measure					
	Type of operation	Potential effects	"Existing" or "new" type of operation (E or N)	Reference to the description of the type of operation in the RDP	Output indicator - target
111 (111.2*)	Information and diffusion of knowledge on biodiversity	Increased awareness & knowledge leading to increased efficiency in the processes of the biodiversity sector	New	Section 5.2.1 (pages 214-216)	No. of participants in training : 500
					No. of training days received: 1000
114 (114.2*)	Training and use of advisory services for agricultural producers on climate change	Training and advisory services to producers so as to reduce GHG and adapt to climate change	New	Section 5.2.4 (pages 229-232)	No of farmers supported: 0 Number of forest holders supported : 300
115 (115.2*)	Advisory services for optimizing water management	Increased awareness and knowledge leading to increased efficiency in the processes of water management	New	Section 5.2.5 (pages 236-239)	No. of newly set up services: 10
(121.1)	Production of biogas using organic	Substituting fossil fuels, reduction of	New	Section 5.2.6 (pages 240-249)	A: 10 B: 1,000

	residues (production in holding and local)	methane			
(121.4)	Perennial energy crops (short cycle scrub shrubs and herbaceous graminoid plants)	Substitution of fossil fuels, carbon capture and reduction of Nitrous oxide	New	Section 5.2.6 (pages 265-267)	A: 960 B: 9,600
(121.1)	Processing of agriculture and forestry biomass for the production of renewable energies	Substitution of fossil fuels	New	Section 5.2.6 (pages 240-249)	A: 13 B: 1,600
(121.1) (121.3)	Water saving technologies (ex. Efficient irrigation systems)	Improved capacity for higher efficiency in water use.	Existing	Section 5.2.6 (pages 240-249 & 254-260)	A: 380 (80 from 121.1 & 300 from 121.3) B: 7,600 (2,600 from 121.1 & 5,000 from 121.3)
(121.1)	Aid for investments linked to milk production	Improved competitiveness of the milk sector.	Existing	Section 5.2.6 (pages 240-249)	A: 40 B: 2,800
123	Processing of agricultural and forestry biomass for the production of renewable energies	Substitution of fossil fuels	New	Section 5.2.7 (pages 268-274)	A) No. of enterprises supported: 5 B) Total volume of Investments: 3,000
	Installations for the treatment of residual waters in the farms and in the manufacturing and marketing processes.	Improved capacity for higher efficiency in water use	Existing	Section 5.2.7 (pages 268-274)	A: 15 B: 15,000
	Improvements in the processing	Improved competitiveness of the milk sector.	New	Section 5.2.7 (pages 268-274)	A: 3 B: 4,000

	and marketing with relation to milk sector				
125 (125.1& 125.3)	Installations and infrastructure for the production of renewable energy using biomass and other sources of renewable energies (solar, wind y geothermal)	Substitution of fossil fuels	New	Section 5.2.9 (pages 278-282 & 287-292)	A) No. of operations supported: 11 b) Total volume of investments: 6,000
(125.1& 125.3)	Water saving technologies	Improved capacity for higher efficiency in water use	Existing	Section 5.2.9 (pages 278-282 & 287-292)	A: 20 B: 5,000
214 (214.4)	Organic production	Conservation of species rich vegetation	Existing	Section 5.3.3 (pages 335-364)	A) No. of farm holdings and holdings of other land managers receiving support: 1,000 B) Total area under AEM support: 53,000 C) Physical area under AEM support under this measure: 53,000 D) Total No of contracts: 1,000 E) No. of actions related to genetic resources: 0
(214.13*)	Extensive forms of livestock management	Conservation of species rich vegetation, protection and maintenance of grasslands	New	Section 5.3.3 (pages 335-364)	A: 1,200 B: 100,000 C: 0 D: 1,200 E: 0

Repartitioning of HC/RP funds:

Priority/ Measure	111	114	115	121	123	125	214	Total
Biodiversity	90.000			0			47.402.874	47.492.874

Climate Change		360.000		0				360.000
Renewable energies				5.490.000	1.080.000	2.700.000		9.270.000
Water management			1.350.000	2.970.000	3.600.000	2.250.000		10.170.000
Diary sector				1.260.000	1.800.000			3.060.000
Total	90.000	360.000	1.350.000	3.600.000	6.480.000	4.950.000	47.402.874	70.352.874

Through this modification proposal the region addresses the new challenges by proposing various operations under the 5 priorities listed in the regulation. Thus as regards the priority climate change adaptation and mitigation, the sustainable development of forestry activity is vital in mitigating the negative effects of climate change. The region intends to address this by promoting access of advisory services to forest owners by the creation of a specific sub-measure 114.2. On the other hand climate change is also addressed through the operations introduced under the priority of renewable energy as described below.

The promotion of renewable energies is also a priority for the region and can play an important role in the development of rural areas, whilst achieving a reduction in the use of fossil fuels as well as mitigating the effects of climate change. Thus the creation of a new sub-measure 121.4 Production of energy crops for the cultivation of short rotation forest species. This priority is further promoted through the support of production of biogas using organic residues in sub-measure 121.1 as well as the support of processing of agriculture and forestry biomass for the production of renewable energy under measures 121.1 and 123 and finally through support for the installations and infrastructures for the production of renewable energy using biomass and other sources through measures 125.1 and 125.3.

Water resource management, particularly in semi arid areas as is the case for the majority of this region, is vital. With the modernisation of irrigation and support for water saving technologies, management of wastewater and the responsible use of natural resources, water use is reduced with clear environmental benefits. Although the existing operations already addressed this priority, with the introduction of new operations as well as a number of technical changes in the relevant measures, the region ensures that this priority is given the importance it deserves. The efficient use of water is tackled through the improvement, consolidation and modernisation of existing irrigation systems (new water saving operations under measures 121.1 and 121.3), through projects on common or collective infrastructures (new water saving operations under 125.1 and 125.3) as well as through the setting up of specific advisory services (new sub-measure 115.2). Moreover under measure 123, the introduction of operations for installations for the treatment of residual waters in farms and in the manufacturing and marketing process also target the objective for improved efficiency in water use.

As regards the protection of biodiversity the region applies this priority through the creation of a specific sub-measure namely 111.2: Information and knowledge dissemination about forest wild fauna and flora for their sustainable use aimed mainly to improve the professional capabilities of those dedicated to forestry work. The use of work practices which respect the biodiversity and also takes into consideration the conservation and improvement of the habitats and landscape is fundamental, as is increased awareness on these issues. The preservation of forests is the main objective of the region's forestry policy, where forest fires, land use changes, desertification, erosion and loss of biodiversity are the main threats.

In Castilla La-Mancha agro-environmental measures are very much developed within a global strategy for rural development which promotes the maintenance of agricultural systems and practices which favour a sustainable natural environment which not only preserves but also increases the capacity for conservation of biodiversity.

Thus the need for encouraging that livestock farmers introduce or maintain production practices which are compatible with the protection and improvement of the environment as well as the conservation of biodiversity through extensive forms of livestock management. Thus the introduction of a new agro-

environmental measure 214.13 providing support for extensification and promoting grazing in sheep/goat holdings. The sub-measure 214.4 of organic farming has also been further strengthened by the allocation of HC/RP funding apart from significant allocations from the funds originating from the wine reform and adjustments of modulation.

As to the last priority on measures accompanying restructuring of the dairy sector the region addresses this through both existing operations under measure 121.1 such that the sector can increase its competitiveness as well as through new operations under measure 123 for supporting improvements of processing and marketing. However this sector is not one of the main sectors of the agro-food industry.

4.1.2. Details of the changes proposed

4.1.2.1. New submeasure 111.2 "Information and diffusion of knowledge on forest wild fauna and flora and its sustainable use". (page214-216) (New operations included under the priority Biodiversity of Annex II of EC Regulation 1698/2005)

Legal basis: article 21 of Council Regulation (EC) No. 1698/2005

Aims and targets of the measure: Improve the professional capabilities of persons dedicated to forestry work, the use of work methods related to the existing biodiversity and conservation and improvement of the landscape. Also increase and spread the knowledge on biological processes in the environment.

Types of actions: Diffusion of knowledge through courses, seminars, workshops, demonstrative projects, publications, technical guides and information sheets and booklets.

Eligible expenditure shall cover the costs necessary for the implementation of this measure which include amongst others - costs of published material, costs for acquisition of the necessary consumables, resources and equipment, renting of premise, costs of the teachers and additional costs necessary for the development of the actions described.

Beneficiaries: "Beneficiaries of this measure are the Ministry of Agriculture and Rural development as well as those private entities with a legal status who demonstrate sufficient means and capacity for carrying out the activities described in the measure. The latter are chosen following public call.

Amount & conditions of support: Support will be granted to cover 100% of the expenditure incurred in the implementation of these training actions. Aid granted through this measure will be according to the "de minimis support" as per EC regulation 1998/2006.

Financing: Total public co-financing is 100,000€ of which 90% or 90,000€ comes from EAFRD.

4.1.2.2. New sub-measure 114.2 "Use of advisory services for sustainable forest management". (New operations included under the priority Adaptation to climate change of Annex II of EC Regulation 1698/2005)

Legal basis: article 24 of Council Regulation (EC) No. 1698/2005

Aims and targets of the measure: Promote access of forest owners to advisory services so as to reach sustainable development of their forest areas, improving their products whilst ensuring environmental respect.

Description of Advisory systems: These services can only be offered by duly recognised and registered physical or legal persons who must have sufficient legal capacity for giving the service both in their professional qualifications as well as in the content of its statute where relevant. The selection and recognition process is described in the programme.

Types of actions: Support to forest holders for the costs incurred during the use of advisory services.

Beneficiaries: Holders of forest holdings having the required sustainable forestry management plan/instrument approved by the Forestry administration of the region.

Amount & conditions of support: Aid for the use of advisory services will be limited to a maximum of 80% of the supported costs per complete advisory service – i.e. which covers all the management requirements established in the sustainable forestry management plan/instrument. Support is limited to a maximum of 1,500€ per forestry holding during a 3 year period. Aid granted through this measure will be according to the "de minimis support" as per EC regulation 1998/2006.

Priority criteria: Priority will be given to forestry holding in the following order:

- 1) situated within natural protected area;
- 2) situated within a Natura 2000 site;
- 3) situated in municipalities classified as at high risk of forest fires;
- 4) the remaining holdings.

Financing: Total public co-financing is 400,000€ of which 90% or 360,000€ comes from EAFRD.

4.1.2.3. New submeasure 115.2 "Setting up of advisory services in water resource management". (New operations included under the priority Water Management of Annex II of EC Regulation 1698/2005)

Legal basis: article 25 of Council Regulation (EC) No. 1698/2005

Aims and targets of the measure: Strengthen advisory services for optimizing water management through the public administration via the Integrated Advisory Service to the Water User¹ or by way of associative common irrigation entities recognized by the administration such as the Group of Central Users², General Community of Irrigation and various other groups of water users³.

Supported actions: In the case of 1) advisory services by common irrigation entities recognized by the Administration – teams and software applications related to water resource management and contracting of technical personnel required for the setting up of the advisory service.

2) advisory services by the Agriculture administration in matters of water management – expenditure for technical personnel for collection of data, analysis and provision of advice within the framework of the Integrated advisory services to water users.

Beneficiaries: a) The Associative irrigation entities which group together the various water users and irrigation groups as per water legislation and which are recognized by the administration to give advisory services exclusively on water resource management to farmers and livestock breeders
b) the Regional Agricultural Administration.

Description of Advisory systems: The Associative irrigation entities interested in providing advisory services on the management and optimization of water resources must be recognized by the competent authority of the regional Ministry of Agriculture according to the established conditions as regards qualifications, experience, facilities, capacity, minimum required services to be provided by these bodies/organisations as well as the recognition process of these advisory services detailed in the programme.

¹ SIAR – Servicio Integral de Asesoramiento al Regante (Water resources management tool developed by the administration providing daily information and advice to farmers to help them determine irrigation, fertilisation needs for their crops etc.)

² Juntas Centrales de Usuarios

³ Comunidades Generales de regantes, Asociaciones Profesionales de regantes which group together the Comunidades de Regantes y Comunidades de Usuarios y de regantes.

Amount & conditions of support: Total investment aid will be up to 80% of the supported investment, with a maximum of 12.000Euros/year in equipment and software applications. Expenditure will be justified through paid invoices. Acquisition, construction or refurbishment of immovable property or second hand equipment will not be supported.

Aid for contracting technical personnel cannot exceed 80% of the salary costs of the justified contracts nor the following annual quantities: 30,000 €yr for Higher Engineer or contracted graduate and 24,000€yr for technical engineer or contracted diploma holder,

Both types of aid will drop digressively in equal steps until they are phased out completely in the sixth year.

Moreover support cannot exceed: 100,000 €yr for the various Associative irrigation entities described; and 5,000 €yr for the Irrigation Communities with an irrigable surface area of less than 500Ha and of 10€/Ha for those Irrigation Communities who have more than 500Ha up to a maximum of 100,000€yr.

Priority: Given to the "Juntas Centrales de Usuarios" and "Comunidades Generales de regantes" over the "Comunidades de Usuarios y de Regantes".

Financing: Total public co-financing is 1.5M€ of which 90% or 1.35M€ comes from EAFRD.

4.1.2.4. Changes in measure 121.1 "Modernisation plans for agricultural holdings" (New operations included under the priorities Renewable energies, Water management and Measures accompanying restructuring of the dairy sector of Annex II of EC Regulation 1698/2005) (Pages 241-249)

a) inclusion of section h) on page 244: Operations addressing the new challenges:

- Renewable energies through the production of biogas utilising organic residues and the processing of agriculture and forestry biomass for the production of renewable energies; on condition that no more energy than is required on the holding will be produced.

- Investment in the dairy sector such as sheds/ housing for animals and other complementary ones such as silos, haylofts, quarantine areas, milking parlours, refrigerated tanks, machinery and other investments on the farm – enclosures, drinking points etc.

- Water saving technologies whose objective is to improve the capacity for increasing the efficiency in water use. These include automation of pumping stations and installations in general as well as irrigation programmes, frequency converters or adjustable speed drives for optimizing irrigation, use of humidity controls (probes, tensiometers, agro-climatic stations).

b) inclusion under section k) Aid type and intensity, of the phrase: As from 2009, for the supported investments which affect the new challenges under this measure, the aid intensity rates fixed in Annex 1 of EC Regulation 1698/05 will be increased by up to 10%.

c) inclusion under section m) of financing for new challenges as follows:

- Production of biogas using organic residues: Total cost 1 M€ public cost 0.5 M€ of which 90% or 0.45 M€ comes from EAFRD;

- Processing of agricultural/forest biomass for renewable energy: Total cost 1.6 M€ public cost 0.8 M€ of which 90% or 0.72 M€ comes from EAFRD;

- Investment support related to dairy production: Total cost 2.8 M€, public cost 1.4 M€ of which 90% or 1.26 M€ comes from EAFRD;

- Water saving technologies: Total cost 2.6 M€, public cost 1.3 M€ of which 90% or 1.17 M€ comes from EAFRD.

4.1.2.5. Changes in measure 121.3 "Investments in Intensive holdings" (New operations included under the priority Water management of Annex II of EC Regulation 1698/2005) (Pages 254-260)

a) inclusion of section e) on page 256: Operations addressing the new challenges:

- Water saving technologies whose objective is to improve the capacity for increasing the efficiency in water use, including:

b) frequency convertors or adjustable speed drives which are devices utilised in various machinery and pumps so as to vary the velocity of motors resulting in reduced energy consumption as well as water savings;

c) innovative equipment for the optimization of irrigation such as: agro-meteorological stations, tensiometers, humidity probes and others.

d) inclusion under section k) of financing for new challenges:

- Water saving technologies: Total cost 5.0 M€, public cost 2.0 M€ of which 90% or 1.8 M€ comes from EAFRD;

4.1.2.6. New Sub-measure 121.4 "Production of crops for biomass" (New sub-measure included under the priority of Renewable energies of Annex II of EC Regulation 1698/2005) (Pages 265-267)

Legal basis: article 26 of Council Regulation (EC) No. 1698/2005

Aims and targets of the measure: Production of forest biomass as a source of renewable energy substituting fossil fuels, favouring carbon capture and reducing the generation of GHG's.

Supported actions: Aid to support agricultural investments in forestry cultivation foreseen in a development plan for the holding for:

- new short cycle plantations⁴, or reconversion of existing irrigated cultivations (which have a low return and are in process of being abandoned or have exceeded their lifetime for production of wood products) to forest cultivation whose ultimate aim is to obtain forest biomass for energetic use;
- machinery for tilling, seeding, treatment, harvesting and transport;
- modernisation, improvement and consolidation of existing irrigation, with equipment for measurement of the volume of water consumed;
- organic and mineral inputs (such as mulch/compost/green manure) for the improvement of the soil, vegetal cover and the environment, as an exceptional treatment prior to the plantation.
- preparation of project proposal and project management fees up to 10% of the supported investments.

In case of investments within a Natura 200 area, the project must be compatible with the environmental and biodiversity requisites through the granting of formal approval by the relevant competent authorities.

Beneficiaries & conditions for support: Physical or legal persons holders of an agricultural holding in irrigated areas. They must 1) present an investment plan for the holding, within the framework of medium to long term business plan, which demonstrates and justifies the investments from the point of view of the holding and its economy; 2) commit to continue the farming activity on the holding for at

⁴ Plantation of short rotation coppice mainly populus (poplars) and salix (willow, osier) species in high densities and short rotation of 2 to 5 years.

least 5 years from the concession of aid; and 3) comply with the minimum environmental requirements.

Amount & conditions of support: Aid will be:

-in the case of young farmers: up to 60% of the supported investment in areas referred to in article 36(a)(i), (ii) and (iii) of EC Regulation 1698/05 and up to 50% in other areas;

- in the case of other farmers: up to 50% of the supported investments in areas referred to in article 36(a)(i), (ii) and (iii) of EC Regulation 1698/05 and up to 40% in other areas.

The maximum amount of supported investment will be fixed in the corresponding calls for proposals.

Priority: Given to a) associated agricultural holdings or those having a supply contract with processing centre for biomass or energy production, b) the previous but with a logistical operator for raw materials between the holding and the transforming company, c) holdings not associated with processing company or logistic operator.

Financing: Total public co-financing is 4.8M€ of which 90% or 4.32M€ comes from EAFRD.

4.1.2.7. Changes in measure 123 "Adding value to agricultural and forestry products"
(New operations included under the priorities Renewable energies, Water management and Measures accompanying restructuring of dairy sector of Annex II of EC Regulation 1698/2005) (Pages 268-274)

a) inclusion under section d) actions foreseen, of the phrase: "This measure also supports operations prior to the industrial processing of wood, respecting the sustainable use of natural resources."

b) inclusion of section e) on page 256: Of the operations and actions included in the previous section, the ones addressing the new challenges are:

- Improvements in the treatment of residual waters of the agro-food industries, enabling a more efficient use of water through waste water treatment in the manufacturing and marketing processes;

- Support improvements in processing and marketing in relation to the milk sector;

- Support investments for 1) energy production for own use from biomass resulting from their own industrial processes (carried out by industries which transform Annex 1 products) and 2) for the preparation/processing of raw material (including raw material from forestry) for producing biomass as a bio-fuel for the production of energy. In the case of the latter (i.e. 2) aid is limited to micro-enterprises.

c) inclusion under section g) Aid type and intensity of the phrase: As per article 16(a)(2) of EC Regulation 1698/05, in the case of operations addressing the new challenges, the aid intensity rates may be increased by up to 10%.

d) inclusion under section j) of financing for new challenges:

- Processing of agricultural or forestry biomass for the production of renewable energy: Total cost 3.0 M€ public cost 1.2M€ of which 90% or 1.08 M€ comes from EAFRD;

- Installations for waste water treatment in manufacturing and marketing: Total cost 15.0 M€ public cost 4.0 M€ of which 90% or 3.6 M€ comes from EAFRD;

- Improvements in the processing and marketing of the milk sector: Total cost 4.0 M€ public cost 2.0 M€ of which 90% or 1.8 M€ comes from EAFRD.

4.1.2.8. Changes in measure 125.1 "Water resource Management" (New operations included under the priorities Renewable energies and Water management of Annex II of EC Regulation 1698/2005) (Pages 278-282)

a) inclusion of section d) on page 280: Operations addressing the new challenges are:

- Installations and infrastructures for the production and storage of renewable energy, utilising biomass and other sources of renewable energy such as solar, wind and geothermal. The aim is that the energy produced leads to a reduction in as much as possible, of the energetic cost of the electricity bills. This through the provision of more modern and energy efficient installations which also results in saving of stored water and/or water used in irrigation.⁵ These actions will be eligible only when they comply with the relevant legislation in force and the installed power does not exceed the maximum required for the irrigable area. For these actions the maximum supported investment will be up to 1M€

- Water saving technologies having the objective of improving the capacity for increased efficiency in water use such as: installation for the programming an automation of irrigation stations and networks, frequency converters or adjustable speed drives and innovative equipment for optimizing irrigation such as : agro-meteorological stations, tensiometers, humidity probes and others.

b) inclusion under section g) of financing for new challenges:

- Installations and infrastructures for the production of renewable energy and its storage, utilising biomass and other sources of renewable energy such as solar, wind and geothermal: Total cost 4.0 M€, public cost 2.0M€of which 90% or 1.8 M€comes from EAFRD;

- Water saving technologies having the objective of improving the capacity for increased efficiency in water use: Total cost 3.0M€, public cost 1.5M€of which 90% or 1.35M€comes from EAFRD;

4.1.2.9. Changes in measure 125.3 "Optimisation & efficient use of water resources" (New operations included under the priorities Renewable energies and Water management of Annex II of EC Regulation 1698/2005) (Pages 287-292)

a) inclusion of section e) on page 289: Operations addressing the new challenges are:

- Installations and infrastructures for the production of renewable energy and its storage, utilising biomass and other sources of renewable energy such as solar, wind and geothermal. The aim is that the energy produced leads to a reduction in as much as possible, of the energetic cost of the electricity bills. These actions will be eligible only when they comply with the relevant legislation in force and the installed power does not exceed the maximum required for the irrigable area. For these actions the maximum supported investment will be up to 1M€

- Water saving technologies having the objective of improving the capacity for increased efficiency in water use such as: installation for the programming an automation of irrigation stations and networks, frequency converters or adjustable speed drives and innovative equipment for optimizing irrigation such as : agro-meteorological stations, tensiometers, humidity probes and others.

b) inclusion under section j) of financing for new challenges:

- Installations and infrastructures for the production of renewable energy and its storage, utilising biomass and other sources of renewable energy such as solar, wind and geothermal: Total cost 2.0 M€, public cost 1.0M€of which 90% or 0.9 M€comes from EAFRD;

⁵ For example irrigation by night where efficiency is highest or the use of flexible photovoltaic plates installed as a floating sheet covering the water storage ponds.

- Water saving technologies having the objective of improving the capacity for increased efficiency in water use: Total cost 2.0M€, public cost 1.0M€ of which 90% or 0.9M€ comes from EAFRD;

4.1.2.10. Changes in measure 214.4: Addition of 27,152,874€ to the existing EAFRD allocation of measure 214.4 for organic agriculture originating from HC/RP.

4.1.2.11. New sub-measure 214.13 "Agri-environmental support for extensification through promoting grazing in sheep/goat holdings". (New sub-measure included under the priority of Preservation of Bio-diversity of Annex II of EC Regulation 1698/2005) (Pages 353-357 of revised RDP)

Justification: Goat and sheep rearing is a very important segment of CLM's livestock sector which has a significant effect on a large part of their territory. It is the most basic and traditional forms of livestock rearing utilising the available grazing areas typical of a region with low rain and the vegetation of semi-arid areas and is essential for maintaining the environmental equilibrium in these meadows whilst avoiding their abandonment and the extension of matorral (shrubland).

In the last decades there has been a rapid decrease in the number of goat/sheep holdings together with a change in the management practices of the herds towards more intensive and less sustainable systems with abandonment of grazing. Currently it is estimated that only 50% of these holdings actually carry out any grazing. These changes result in the following problems: intensive productive systems (in stables), higher livestock densities, accumulation of wastes and contamination of water courses, overgrazing in areas close to villages and deterioration of habitats due to abandonment of grazing in areas further away. The natural grazing meadows are therefore overtaken by shrubland with the resulting loss of biodiversity as well as increasing the risk of fires.

Financing: Total public co-financing of this sub-measure is 22.500.000€ of which 90% or 20.250.000€ correspond to the EAFRD contribution

Objective: The main aim of this measure is to reduce the stocking density per unit of grazing surface area, leading to a rational use of the latter, conserve the landscape and rural habitat, maintain the vegetation cover avoiding soil erosion, preventing forest fires in these extensive grazing areas through their maintenance and control of the combustible biomass and increase soil fertility of these areas whilst leading to better management of the wastes.

Conditions for support: Holdings must a) be registered in the general register of livestock breeders as production and breeding holdings; b) have at least 5LU's; c) holding must have and apply a hygienic-sanitary programme supervised by the responsible vet; e) have breeding sheep and goats.

Commitments:

- the holding must be extensive to avoid overgrazing, such that the stocking density of the total holding which is currently around 2LU/Ha is limited to a maximum of 1.4LU/ha. The minimum density of the holding must not be less than 0.2LU/ha.

- decrease by at least 10% the LU/surface area ratio over the 5th year of commitment, i.e. a 2.5% decrease per year.

- have an extensive system on holding and a proper management of grazing with goats and sheep. Commit to a grazing calendar according to availability of surface area that guarantees its effective use. This must be described in the holding plan which should be signed and supervised by a competent technician. The use of common grazing areas should also be included in conformity with the customs of the municipalities. Holder must commit to comply with this calendar and holding plan.

Rate of support: – 130€/ha; the total aid cannot exceed 6.500€ per livestock holding.

Baseline: For most commitments under this measure there is no baseline reference. With regards to stocking density, the GAEC gives only a minimum of 0.1LU/ha without prescribing a maximum. As to animal welfare requirements none require a system of extensive rearing as under this measure.

4.2. Other modifications according to article 6(1)(a)

The modifications described in this section concern exclusively the amount of 138.638.670€ allocated to the Region of Castilla La-Mancha. From this amount, 126.949.600€ comes from CMO Wine and 11.689.070€ from the modulation adjustments.

Over 55% of the money from the CMO wine goes to finance a new sub-measure – namely sub-measure 214.8 "Environmental integration of the vine cultivation in dryland. The remaining allocation from the Wine CMO together with the money from the modulation adjustments goes to increase the budget of measure 214.4 Organic Agriculture as well as the budget of the remaining measures in Axis 2 as described in the table below.

This proposal is therefore coherent with the National Framework Programme which recommends that the proceedings from the Wine reform should be preferably allocated to wine regions and/or specific measures directed at producers in this sector including through measure 214.

4.2.1. Description of the change

There is therefore an EAFRD increase of 138.638.670€ in Axis 2 as well as an increase of the EAFRD co-financing rate from 46% to 56.25%. The bulk of these funds are allocated to measure 214, however some 43.207.903 Euros are repartitioned amongst the other axis 2 measures as described in the table hereunder.

EAFRD allocation from CMO Wine and compulsory modulation:

Axis	Public contribution (in EUR)		
	Total public	EAFRD contribution rate (%)	EAFRD amount
Axis 1	-	-	-
Axis 2			
Measure 214	169.654.697	56.25	95.430.767
Sub-measure 214.12	125.000.000	56.25	70.312.500
Measure 211	15.800.601	56.25	8.887.838
Measure 212	4.483.936	56.25	2.522.214
Measure 221	21.555.415	56.25	12.124.921
Measure 226	19.497.778	56.25	10.967.500
Measure 227	15.476.319	56.25	8.705.429
Axis 3	-	-	-
Axis 4	-	-	-
Technical Assistance			
Total	246.468.747	656.25	138.638.670

4.2.2. Text of the RDP

4.2.2.1. New sub-measure 214.12 "Environmental integration of vine cultivation in dryland". (pages 348-364 of revised RDP)

Financing: Total public co-financing of this sub-measure is 125M€ of which 56.25% or 70.312.500€ correspond to the EAFRD contribution

Objective: To promote the maintenance of these vineyards in dryland given their important environmental role in avoiding desertification, favouring biodiversity and contributing to the landscape. Only these traditional cultivations under goblet will be supported given their environment friendly cultivation practices. The vine is a permanent crop that occupies the largest extension of surface area in the region and is fundamental in mitigating erosion and regulation of water balance. The main commitment of establishing vegetation strips and leaving a part of the harvest in the field contribute to increasing fauna in the area through the provision of shelter and food at a time when food is scarce.

Conditions for support: Beneficiaries can be all the viticulturists in the region who possess parcels of vine orchards cultivated in dryland employing the goblet system⁶; who complies with the commitments for a period of five years on all the area of vine orchards under the goblet system in his holding which has to be at least 2Ha.

The beneficiary has to appear in the Wine-growing Register as the one working the parcels committed, and who is the same recipient for the committed parcels of any aids under the single payment scheme as well as under all aid schemes established in Title IV of Council Regulation (EC) No. 73/2009.

Commitments:

- all parcels of the holding under vine in dryland under the goblet system with a cropping density not exceeding 1,700 plants/ha have to be committed.
- create new areas for the increase of biodiversity consisting of a border of spontaneous vegetation extending from the edge of the parcel up to the first row or line of vines. These borders must occupy at least 25% of the perimeter of the parcel. In the case of adjacent parcels the border can occupy 25% of the common perimeter.
- maintain 10% of the committed areas unharvested for the feeding of wild fauna. This area should be rotated so that a particular area is not left without harvesting for two consecutive years. Always when the size/area of the parcels permits, the unharvested area should span complete parcels and never continuous areas smaller than 1.000m². Under no circumstance can chemical products be used to get rid of the production which is not harvested.
- in the case of vine parcels having trees, these must be kept in good condition.

Rate of support: – 130€/ha.

Baseline: GAEC requires 1) maintaining the structure of the land, i.e. farmers should not significantly alter the areas such as boundaries or structural elements without authorisation to maintain topography and particularities of area. This sub-measure however goes beyond since it contemplates the creation of new elements; 2) maintain woods/trees in surfaces where the slope is greater than 15% -however the measure goes beyond since it obliges the farmer to maintain trees in good condition and prohibits their removal on all surfaces. For all other supported commitments there are no comparable baselines.

4.3. Modifications according to article 6 (1)(c)

4.3.1. Description and reasons justifying the amendments

4.3.1.1. References to the National Framework Programme: Following the Commission's recommendations in the last annual review meeting, all sections of the RDP in measures 112, 114.1, 115.1, 123 & 125.1, already reflected in the National Framework Programme (NFP) or merely reproducing its text have been replaced by a simple reference to the NFP (to avoid duplications and repetitions with respect to the NFP).

⁶ Ancient method of vine training which involves no wires or other system of support, and results in a goblet shaped growth. This is the traditional cultivation method which is well adapted to the dry agro-climatic conditions of the region, whereas most new cultivation methods involve irrigation.

4.3.1.2. Update of legal references: Following the Commission's recommendations in the last annual review meeting, all legal references to recently modified regulations (organic farming, Wine CMO, Regulation 73/2009, etc.) have been updated.

4.3.1.3. Modifications in the national and regional administrations: The name of the national Ministry of Agriculture has changed to *Ministerio de Medio Ambiente, Medio Rural y Marino*, the national Ministry of Labour and Social Affairs is now *Ministry of Labour and Immigration*, and the regional administration has also been subject to a reorganisation – the Ministry of Agriculture and the Ministry of Environment and Rural Development have disappeared to be replaced by the Ministry of Agriculture and Rural Development (*Consejería de Agricultura y Desarrollo Rural*) which also incorporates new Directorates. Therefore it is necessary to bring up to date the entire RDP revising all parts where references were made to the previous administrations.

4.3.1.4. Changes in the representatives of the Monitoring Committee arising from the above mentioned reorganisation as well as to include other agents and non-governmental organisations thus ensuring a broader representation. (Refer to Page 490)

4.3.1.5. Indicators update: following the requests by DG AGRI in the last annual review meeting for the improvement of indicators, the objective and context related baseline indicators in pages 123 – 131 have been revised. Also various output and result indicators have been either revised or provided where they were missing. The impact indicators at the level of the programme have also been revised on page 201.

4.3.1.6. Corrections to financial information: corrections of the relevant information and financial tables following the changes in measure financing described in the document.

4.3.1.7. Correction of minor errors or typing mistakes: for details refer to Modification fiche.

4.3.1.8. Inclusion of the new challenges and changes in the strategy to adapt it to the National Strategy plan and National Framework Programme (Chapter 3, pages 142 -144 and Chapter 4, pages 169-172 and 187-194 of revised RDP)

4.3.1.9. Transfer of funds between axis below 1% of the total EAFRD contribution to the programme.

In the case of measures 115.1, 121.3, 123, 125.1 and 125.3, the initial public cost available for the measure has been reduced by an amount equivalent to the HC/RP amount allocated to the new types of operations addressing the new challenges introduced in these measures. Thus the amount of "conventional" or "old" public expenditure for the above has been reduced with the consequent revision downwards of the output and result indicators referring to this part of "conventional/old" funds. The resulting savings in EAFRD from the above reductions in axis 1 amounted to 10,368,000€ Of this 3,941,839€ was allocated to measure 214, whilst the remaining 6,426,161€ was allocated to axis 3 for 2 newly created sub-measures, namely sub-measure 313.2 (3.153.874€) and 321.2 (3.272.187€).

4.3.1.10. Changes in measure 112 "Setting up of young farmers"

a) Under section e) Beneficiaries: the region has chosen to suppress the possibility for setting up by young farmers in an agricultural holding which is not considered as priority holding⁷ and whereby the beneficiary combines his agricultural activity with other non agricultural economic ones. (The NFP

⁷ The definition of "Priority holding" (Explotacion Prioritaria) is defined in the Spanish National legislation and refers to a number of requisites that the farmer and holding must possess to fulfil this definition.

grants the region the possibility not to include support for non-priority holdings) This is an effort to concentrate the region's efforts in supporting the priority holdings.

b) Under section i) Amount and rate of Support: The maximum amount of the single premium has been increased from 34,000 € to 40,000€ and the possibility for increasing the single premium aid by 10% according to a number of criteria in the previous version have been suppressed given that the maximum allowed by the regulation is now foreseen.

The time during which a premium for setting up is granted to the same holding has been delimited/defined – i.e. within the same holding one cannot receive more than one setting up support in the form of a single premium during the five years following the date of the approval of support.

4.3.1.11. Changes in measure 114 "Use of advisory services"

a) Under the section amount and rate of support: change the wording "Aid granted up to a maximum of 1,500€ per holding for a period of 3 years" to "Aid granted up to a maximum of 1,500€ per advisory service/ holding for a period of 3 years"

b) Include a further priority criteria for granting of aid, namely that the holder has requested support to address the new challenges.

4.3.1.12. Changes in measure 115 "Setting up of advisory services"

a) The measure becomes measure 115.1 given the creation of a new sub-measure 115.2 under the new challenges.

b) Under the section Financing: Reduce the total Public cost of 3M€ to 1.5M€ (which is equivalent to the amount of public cost allocated to measure 115.2 created to address the new challenges and financed with HC/RP funding).

c) Given the decrease in the budgetary allocation to this measure, the output indicator has been revised downwards from 20 advisory services set-up to 10.

4.3.1.13. Changes in measure 121.1 "Modernisation plans for agricultural holdings"

a) Revision of section g "Supported Actions":

- the action "provision of electricity to the holding justified by locality of holding, use of alternative energies. Investment for generating energy will be supported if it is for own use, not marketed and when it contributes to reducing CO₂ emissions and will not have a negative impact on soil, water and biodiversity; Production of biomass for obtaining energy will not be supported)" has been revised to "provision of electricity to the holding justified by locality of holding, use of alternative energies (solar and wind). Investment for generating energy will be supported only when they comply with the relevant regulation in force and the installed power generation does not exceed the maximum required by the holding and when it contributes to reducing CO₂ emissions and will not have a negative impact on soil, water and biodiversity."

b) Inclusion of the following actions:

- consolidation of public irrigation projects in collective infrastructures which were finalised in the last 5 years or are in execution, through the provision of irrigation within the parcel;

- re-planning of the water rights within the area of the "Special Plan for the Alto Guadiana" or in aquifers declared as overexploited. This should lead to a reduction in the demand for water as well as a reduction in the global irrigated areas and contribute to environmental improvement of the water bodies affected in conformity with the objectives of the Water Framework Directive.

c) Revision of section e) Beneficiaries: the scope of beneficiaries has been widened in the case of the dairy and egg laying sectors, so as to include any type of livestock holders situated in the region and not just priority holdings. It also includes the requirement for these holdings to be registered in the

Official register of the livestock holdings in the region and comply with the relevant official programmes.

d) Change in section g) of the wording describing the demarcation with the CMO Fruits and vegetable (F&V): the previous text specified that for producers, members of the Producer organisations of F&V, investments below 40.000€ will be financed through the F&V Operational programme and vice versa. The change specifies that investments below 40,000€ can however be financed through this measure when the action is not foreseen in the F&V Operational Programme. (See page 244 & 464 -section 10.1.2.a)

e) minor changes in section l) priority criteria and correction of output indicator in section o).

4.3.1.14. Changes in measure 121.3 "Investments in Intensive holdings"

a) Revision of section d) Inclusion of the following actions:

- consolidation of public irrigation projects in collective infrastructures which were finalised in the last 5 years or are in execution, through the provision of irrigation within the parcel;
- re-planning of the water rights within the area of the "Special Plan for the Alto Guadiana" or in aquifers declared as overexploited; which brings about a reduction in the demand for water as well as a reduction in the global irrigated areas and contribute to environmental improvement of the water bodies affected in conformity with the objectives of the Water Framework Directive.
- Highly efficient production systems under irrigation and the improving the situation in holdings with approved water rights but a deficit in irrigation with the aim to diversify their cultivation and guarantee quality production.

b) Revision the wording for the following actions:

- the action "Electrical installations necessary for improving the energy efficiency or the application of renewable energy sources for pumping systems" is revised to specify that the renewable energy sources are alternative energy sources consisting of either wind and solar. Also in the case of production of energy the text has been modified so that instead of " Investment for generating energy will be supported only if it is for own use and not marketed" to read "the installed power generation does not exceed the maximum required by the holding".
- the action: In the case of associative entities for common irrigation: supported actions are for the setting up and installation of irrigation on the parcels of their member's holdings – has been revised to read: "setting up and installation of irrigation on the parcels of their members' holdings which are located in an irrigation area where a public irrigation project in collective infrastructure has been carried out during the last 5 years or is currently under execution."

c) Revision of section e) Beneficiaries: the scope of beneficiaries has been widened so as to include amongst the potential beneficiaries of this measure the Comunidades de Regantes (CdR) or Community of Irrigation Users which are a non-profit making legally constituted association/group of holders of an irrigated area who come together for the common and independent management of public waters.

d) Minor changes in section j) Priority criteria. (Refer to pages 258)

e) Under section k) Financing: Reduce the total Public cost of 12M€ to 10M€ (which is equivalent to the amount of public cost allocated to the new operations within this sub-measure created to address the new challenges and which are financed with HC/RP funding).

f) Given the decrease in the budgetary allocation to this measure, the output indicator has been revised downwards from 2,100 holdings benefiting from investment support to 1,750 and a drop in the total volume of investment from 18.5M€ to 15.5M€ (Refer to page 260)

4.3.1.15. Changes in measure 123 "Adding value to agricultural and forestry products" (Pages 268-274)

a) In section h) Coherence with first pillar: Change in the value of the investment amount demarcating support through this programme and through the Fruit & Vegetable Operational Programme (FVPO) – The phrase "In the case of Fruit & Vegetable Producer groups, investments below 40,000€ will be supported through the FVPO, whilst above this limit support will be through this programme" is revised to "In the case of Fruit & Vegetable Producer groups, investments below 400,000€ will be supported through the FVPO, whilst above this limit support will be through this programme". (See page 275 & 464 -section 10.1.2.a)

b) Under section j) Financing: Reduce the Total cost from 1.399.650.127€ to 1.365.450.127€, the Public cost from 294.650.127€ to 287.450.127€ and the EAFRD contribution from 188.576.081€ to 183.968.081€ (which is equivalent to the amount of public cost allocated to the new operations within this sub-measure created to address the new challenges and which are financed with HC/RP funding).

4.3.1.16. Changes in measure 124 "Cooperation for new products, processes and Technologies" (Pages 275-277)

a) In section f) Types of actors participating in cooperation projects: Revise the text so as to reflect change in article 29(1) second paragraph of EC Regulation 1698/05.

4.3.1.17. Changes in measure 125.1 "Water Resource Management" (Pages 278-282)

a) Under Section c) Actions contemplated in the measure: Include a third type of action, namely:

- re-planning of water rights, as per the Special Plan for the Alto Guadiana river or aquifers declared as over-exploited. These must also be accompanied by the following conditions: the irrigable area is revitalised, the global demand for water decreases with a concurrent decrease in the allocated water resources. This results in an increased efficiency in water use and contributes to environmental improvement of the affected water bodies in conformity with the objectives of the Water Framework Directive.

b) under section f) Type and intensity of aid: Include the sentence "In the case of works carried out by public enterprises, through specific collaboration agreements between the Administration, the public enterprise and the Community of Irrigation (Comunidades de Regantes), the maximum participation of the Administration is of 50% of the supported investment".

c) Under section g) financing: Reduce the Total cost from 57M€ to 50M€, the Public cost from 37M€ to 33.5M€ and the EAFRD contribution from 23.68M€ to 21.44M€ (which is equivalent to the amount of public cost allocated to the new operations within this sub-measure created to address the new challenges and which are financed with HC/RP funding).

4.3.1.18. Changes in measure 125.3 "Optimisation & efficient use of water resources" (Pages 287-292)

a) Under Section d) Actions contemplated in the measure: Include the phrase: Investments in works in irrigable areas to be consolidated or where there is currently a re-planning of the water rights as per the Special Plan for the Alto Guadiana river or aquifers declared as over-exploited. These must also be accompanied by the following conditions: the irrigable area is revitalised, the global demand for water decreases with a concurrent decrease in the allocated water resources. This results in an increased efficiency in water use and contributes to environmental improvement of the affected water bodies in conformity with the objectives of the Water Framework Directive.

b) under section f) Beneficiaries: Include as beneficiaries the Community of irrigation (Comunidades de Regantes) except for those Communities who do not have a declaration of general interest, or where the declaration has lost its validity or where it has been deliberately relinquished.

c) Under section g) financing: Reduce the Total cost from 72M€ to 68M€, the Public cost from 36M€ to 34M€ and the EAFRD contribution from 23.04M€ to 21.76M€ (which is equivalent to the amount of public cost allocated to the new operations within this sub-measure created to address the new challenges and which are financed with HC/RP funding).

4.3.1.19. Changes in measure 132 "Participation in food quality schemes" (pages 298-306)

a) Revise Section f) List of Community and National quality programmes who can request support under this measure, so that:

- the PDO Guijelo is removed from community schemes benefitting from aid as for this product it is the Agro-processing industries who actually incur the fixed costs of participation and certification of the quality scheme, which however are not eligible given that only farmers and livestock breeders can benefit from this support. This was mistakenly left in the approved text.

- two nationally recognised quality schemes become Community recognised quality schemes under EC Regulation 510/2006 - Ajo Morado de Las Pedronera that was recognised as a PGI on the 16July08: and the Aceite de la Alcarria recognised as a PDO on the 2February09.

- support is provided to a new quality programme recognised by the Member State and which complies with the criteria established in article 22.2 of EC Regulation 1974/2006 and is also registered in the Spanish register for brands and patents, namely:

- Cordera de la Alcarria. (For details of the criteria established in article 22.2 of EC Regulation 1974/2006, refer to pages 300 – 301)

b) On page 305, section h: Aid rates per programme and justification of costs, include the following:

Quality Programme	Participation and certification costs : Average fixed costs in €
Cordero de La Alcarria	Per lamb - 2,16€

c) On page 306 – revise the estimated annual expenditure of the fixed costs from 4.817.000€ to 5.094.9000 €

d) Under section i) Financing: Revise the total cost from 33.719.000€ to 35.664.300€

e) Under section j) revise output indicators from 67.500 supported agricultural holdings participating in the quality programme to 30.000. The reason for this revision is due to the results of the calls for proposal in the last two years where only some 26.000 farmers actually applied for support through this measure rather than the 55,000 foreseen.

4.3.1.20. Changes in measure 133 "Food quality schemes" (pages 307-310)

a) Under Section f) List of Community and National quality programmes recognised under measure 132 include:

Ajo Morado de Las Pedronera as a PGI; Aceite de la Alcarria as a PDO and Cordera de la Alcarria as national quality schemes.

Remove the PDO Guijelo from list since as explained above it was included by mistake.

b) Under section k) revise output indicators from 250 supported activities to 900.

4.3.1.21. Correction of errors in transitional commitments carried over from the previous programming period: Revisions in their number and of the estimated public cost required for covering them as well as revision of the output indicators in the following measures:

Measure 113: Forecasted number of commitments increases to 807 from 687 and the transitional public expenditure of 18.5M€ is revised to 24.8M€, Output indicators revised – refer to page 226 of the RDP

Measure 121.3: Forecasted number of commitments increases to 770 from 420 and the transitional public expenditure of 5M€ is revised to 8M€, Output indicators revised – refer to page 260 of the RDP

Measure 123: Forecasted number of commitments increases to 724 from 240 and the transitional public expenditure of 21M€ is revised to 109M€, Output indicators revised – refer to page 274 of the RDP

Measure 214: Forecasted number of commitments increases to 22.000 from 21.364 and the transitional public expenditure of 71.2M€ is revised to 100M€, Output indicators revised – refer to page 358 of the RDP. The previous estimates were done on the assumption that the beneficiaries of aid under the transitional agri-environmental sub-measures: "Integrated control of olive orchards" and "Dryland sunflower cultivation" would change these commitments into new ones; which however did not happen resulting in the need to revise the transitional expenditure and projects.

4.3.1.22. Changes in Measure 214: Agro-Environmental Measure

a) Under section 5.3 pages 323-327: include the new text of the revised national GAEC's which are obligatory for beneficiaries of measures 211, 212, 214 and 221.

b) Under measure 214 pages 350-351- The description of the minimum requirements for fertiliser and pesticide use has been replaced by a reference to the NFP. Only the relevant specific requirements of the region have been maintained.

c) Under measure 214.1 – Extensive agro-systems in dryland areas – include the demarcation criteria between support granted for AEM sub-measures under this measure and for similar support within the National programme for the promotion of crop rotation in dryland areas (PNFR) as per article 68.1a)v) on support to farmers for specific agricultural activities entailing additional agri-environmental benefits in the new direct support regulation. (EC Regulation 73/2009). This demarcation criteria is the District (Comarca) Yield index established in the Regional Production Plan (Plan de Regionalización Productiva).

Thus in page 341: A new commitment has been included for sub-measure 214.1 that as from 2010 the areas which can be supported must have a yield index of more than 2 tonnes/Ha in the Regional Production Plan (Plan de Regionalización Productiva).

The possibility is also granted as from 2010 for prior commitments undertaken under this measure to be transferred to the PNFR if the beneficiaries so desire by terminating the commitments under this sub-measure 214.1 without any obligation to return the aid perceived so far. (see page 342)

e) Revise section o) financial allocation: The distribution of funds between the different sub-measures has been deleted and one total public cost and EAFRD contribution is provided for whole measure. Moreover the financial allocations for this measure have been increased as follows: Public cost from 282.158.785€ to 422.280.213€ and EAFRD contribution from 129.793.041€ to 229.165.648€ with the addition of the modulation and wine CMO funds as well as an amount resulting from the transfer from Axis 1 as explained in section 4.3.1.9.

f) Revise the text in section j) **Calculation of the maximum premia for the different aid measures** so as to include the new sub-measures.

The calculation of the total premia will be based on the Minimum Unit of Agri-environmental Cultivation (UMCA) which is the AEM surface area or LU's of animals on the holding that will serve as the basis for the calculation of the aid due per beneficiary.

The applicable UMCA's for the new proposed sub-measures are:

214.14 Agro-environmental practices in sunflower cultivation in dryland – 20ha

214.12 Environmental integration of Vine cultivation in dryland - none

214.13 AEM support for extensification through promotion of grazing in holdings of sheep/goat – none.

The maximum aid that can be perceived by the holder who complies with all required commitments and conditions will be estimated according to the following method:

- up to double the UMCA and the maximum aid will be 100% of the established premium for each sub-measure;
- between double and 4 times the value of UMCA – the maximum premium will be 60% of the total premia,
- when it exceeds 4 times the value of the UMCA – the maximum premium will be 30% of the total premia.

Compatibility (C) and Incompatibilities (I) between sub-measures such that the same area cannot benefit from both sub-measures are described in the programme. (Page 354) When more than one sub-measure is applied on the same area the maximum aid rates granted cannot exceed those established in the annex of EC Regulation 1698/05.

g) Include New sub-measure 214.14"Agri-environmental practices in sunflower cultivations in dryland". (pages 347, 353-357 of revised RDP)

Justification: Objective: This new sub-measure aims to support specific environmental practices in the sunflower cultivation in the non irrigated areas of Castilla La Mancha. The presence of sun-flower in non irrigated areas of CLM is considered to have positive effects on the maintenance and improvement of the biodiversity, since the sunflower acts as a refuge and shelter of a number of wild fauna such as several steppe-land bird species during the summer period (when the green cover of the other crops is almost non-existing). Furthermore, the presence of sun-flower in these dry areas improves the water extraction from deep layers, the profitability of residual fertilization and maintenance of soil structure; it also completely reduces the use of herbicides and chemical fertilisers.

Financing: Total public co-financing of this sub-measure is 20.846.048€ of which 56.25% or 11.725.902€ correspond to the EAFRD contribution.

Objective: The introduction of sunflower cultivation has various environmental benefits such as improved biodiversity given its role as a refuge for many wild species in summer when vegetation cover in other cultivations is scarce. This is further reinforced by the commitment to maintain a border of spontaneous vegetation. Soil texture is also improved through provisions related to stubble management; extraction and use of water from the deeper layers is also improved as is the use of residual fertiliser; utilising higher seeding doses so as to guarantee minimum cover and compensate for those eaten by the avifauna; the prohibition on the use of herbicides as well as of inorganic fertilisers are also beneficial to the environment.

Conditions for support: At least 1Ha of surface area under sunflower must be committed under this measure for 5 consecutive years.

Commitments:

- maintain in all supported parcels a border of spontaneous vegetation at least 1m wide throughout the period of commitment;
- bury the stubble of the preceding cereal to the sunflower crop, except in cases of direct cropping, at the latest by the 30th November after the harvesting of the cereal;

- seed the sunflower in dryland utilising doses not inferior to 3.25kg/Ha or its equivalent in units of seeding (0.32units/Ha);
- do not carry out chemical weeding in oilseed;
- do not use chemical fertilisers in the committed parcels of sun-flower in dryland;
- maintain the stubble of the sun-flower crop without grazing;
- triturate the stems of the sun-flower spread for its incorporation into the soil;
- Every year this crop should be cultivated in a surface equivalent to the basic surface area, allowing for an increase or decrease on this basic surface area of +/- 10% per year in order to facilitate crop rotation.

Demarcation with the measure National Programme for the promotion of crop rotation in dryland:

This measure is incompatible with the one above since this measure only applies for those lands found in areas where the District(Comarca) Yield Index is over 2 tonnes per hectare as described in the Regional Production Plan (Plan de Regionalizacion Productiva).

Rate of support: – 60€/ha

Baseline: For most commitments under this measure there is no baseline reference. With regards to working in or burying of the cereal stubble so as to improve the soil texture and water retention capabilities of the soil, the GAEC only prohibits its burning;

4.3.1.23. Changes in co-financing rate of Axis 2 - increase of EAFRD co-financing rate from 46% to 56.25% as for all other axis 2 measures.

4.3.1.24. Advance payments: advance payments for LAGs, as provided by article 38 of Regulation 1974/2006, are now specifically foreseen in the RDP text (page 401).

4.3.1.25. In page 402 under the section: Application of the Leader Approach in Axis 3 through measure 413: In the case of application of the leader approach in municipalities having between 10,000 and 30,000 inhabitants, the requirement for the creation of 3 full-time jobs for women, young or handicapped is changed to 3 long-term full-time jobs for the same. (In the case of productive projects carried out through the Leader approach, priority is given to those implemented in municipalities having less than 10,000 inhabitants. However actions in larger municipalities are also supported as long as these also result in increased value added – thus the change to a more rigorous requirement).

The wording "The leader approach in Axis 3 will be applied to municipalities with less than 30,000 inhabitants" is changed to "The leader approach in Axis 3 will be applied to municipalities with less than 30,000 inhabitants, as well as the districts (non main nuclei of population) of municipalities bigger than 30,0000 inhabitants. The relevant text in all axis 3 measures under section c) area supported is revised from "Municipalities larger than 30,000 inhabitants are excluded from support" to "The principal/main nuclei of municipalities larger than 30,000 inhabitants are excluded from support".

In page 398 include the following two categories in the list of Projects of Regional Interest to be carried out through the Leader approach:

- centres for entrepreneurial development⁸,
- projects linked to new employment possibilities/sources.

⁸ The project for these incubators or centres consist in a productive investment consisting in the construction (generally by the local entities) of small industrial sites equipped with all necessary installations for functioning of the enterprise (e.g. water, light, gas, telephone, internet connection etc) and which are then rented out to new enterprises until they reach the sufficient economic capacity to be able to set up on their own within the region.

(The current economic situation has had a significant impact of unemployment, therefore in an effort to slow this process, it was considered opportune to promote projects related to new employment sources and setting up of enterprise centres within the application of the Leader approach.)

4.3.1.26. In page 396, modify the aid rates for productive operations carried out under the Leader approach in those municipalities having less than 500 inhabitants. In this programme the aid rates for projects undertaken through the Leader approach are calculated according to the principle of rurality based on a rurality index which divides the territory in rural, intermediate and peri-urban areas. Applying the principle of rurality higher aid rates are paid for projects implemented in rural areas in need of revitalisation and those in other areas which have been progressively losing population in the last 5 years. The current change includes within this group those non-rural areas which however have less than 500 inhabitants.

4.3.1.27. In page 444 under measure 41 section j) the RDP includes a table with minimum thresholds of expenditure per year which should be reached by the LAG's. In the event that these uptake levels are not realised the Administration will adapt the annual repartition of funds to each group. The requested change is for the inclusion of the possibility for the Ministry of Agriculture and Rural Development to modify this table and applicable minimum thresholds depending on the socio-economic context which results in the period 2007-2013. This due to the current economic situation which is resulting in a lower than expected execution by the LAG's.

4.3.1.28. Create within Axis 3 two new sub-measures outside the Leader approach, one within measure 313 "Encouragement of Tourism activities" and another under measure 321 "Basic services for the economy and rural population" which will be managed directly by the Regional Administration. Therefore both measures are split into 2 sub-measures, namely 313.1, 321.1 to be managed through the leader approach and 313.2, 321.2 managed through the regional administration.

This change is motivated by recent business initiatives which have arisen in the region related to services to the population (basically to dependent persons) and in the field of tourism which have an impact on employment creation. Thus it was deemed necessary to finance them under axis 3 through the regional administration ensuring a speedier implementation.

- Under measure 313: revise

a) section h) Financing: Revise the total cost, public cost and EAFRD contribution for the whole measure to account for the inclusion of the allocations for the new sub-measure 313.2.

Include the financing of sub-measure 313.2: Total cost allocated is 8.523.984€ of which 50% is equivalent to the public cost of 4.261.992€ of which 74% or 3.153.874€ corresponds to the EAFRD contribution. This EAFRD contribution comes from a transfer of funds from Axis 1 as described in section 4.1.1 earlier.

b) section j) Indicators: Revise output indicators from 1,200 supported actions to 1,600, and the total volume of investments from 64M€ to 72.5M€

- Under measure 321: revise

a) section d) Actions contemplated in the measure, remove the restriction that only non-productive operations are allowed; delete the wording "Within the field of infrastructure, the improvements to rural roads is excluded since it is eligible through measure 322.2." (Refer to change in measure 322.2 for justification of this changes)

b) section e) Beneficiaries, include "Private physical or legal persons who develop an activity related to the provision of a basic service for the economy or rural population."

c) section f) Types of costs covered and intensity of aid, include under eligible costs the action "Construction of buildings, infrastructures and facilities" which are oriented to the provision of small

scale services. Include also the phrase: "In the case of productive investments, aid should be limited to 40% of the eligible cost of the investment."

d) section g) Financing: Revise the total cost, public cost and EAFRD contribution for the whole measure to account for the inclusion of the allocations for the new sub-measure 321.2.

Include the financing of sub-measure 321.2: Total cost allocated which is equivalent to the public cost is 15M€ of which 74% or 11.1M€ corresponds to the EAFRD contribution. This EAFRD contribution is coming from the transfer of 7.827.713€ from the deleted sub-measure 322.2 plus 3.272.287€ from an Axis 1 transfer as described in section 4.1.1 earlier.

e) section h) Indicators: Revise output indicators from 300 supported actions to 600, and the total volume of investments from 12M€ to 27M€

Through these changes the provision of basic services in the rural areas is facilitated ensuring that the quality of life is improved.

4.3.1.29. Delete sub-measure 322.2 under measure 322 "Village renewal and development".

Sub-measure 322.2 which financed actions related to improvements in rural roads/pathways carried out by regional administrations, has been deleted and the available funds assigned to the new sub-measure 321.2 for the support of basic services for the rural populations. This action for rural roads however is still available under measure 322.1 carried out through the leader approach.

4.3.1.30. Change in Measure 323 "Conservation and upgrading of rural heritage".

In page 416 section e) Actions foreseen: Under measure 323.1 implemented through Leader approach delete the action "Preparation of protection and management plans of Natura 2000 sites" since this action is already foreseen under sub-measure 323.2 for actions carried out by the Competent Ministry. The preparation of these plans falls under the responsibility of the General Directorate of Forestry and the Competent Body for Natural Areas in Castilla La-Mancha – therefore the inclusion under the Leader approach was a mistake which is hereby corrected.

4.3.1.31. In page 461, Chapter 9 – in table summarising the Aid Regimes for operations falling outside Article 36 of the Treaty include measures 111.2 and measure 114.2 indicating that aid under these two sub-measures will be granted in respect of Commission regulation 1998/2006 (de minimis)

4.3.1.32. Demarcation – Under Chapter 10.1.2 pages 463 to 467

- Section 10.1.2.b) establish the demarcation with the CMO Wine:

In the case of measures 112 (Young farmers) and 121 (Modernisation), whereby supported actions can coincide with those foreseen under the Spanish Programme of Aid to the Wine sector, no support through this programme will be granted to any operation of restructuring of reconversion of vineyards included in Art. 11 of Regulation (EC) N° 479/2008 and reflected in national legislation under article 22 and annex VI of the Royal decree 244/2009 of the 27 February on the application of the support programme for the Spanish viticulture sector (B.O.E. n° 51 de 28.02.09)."

As regards measure 123, the latter programme does not as yet foresee any aid to similar operations, at least until the 31st December 2010. When the operations to be supported through the Wine Programme are determined, the required demarcation with this programme will then be established.

- Section 10.1.2.h) establish the demarcation with the Sugar sector:

Within the Spanish National Programme for restructuring of the sugar sector, Castilla La-Mancha has chosen to finance under the Modernisation measure, the acquisition of new machinery and other agricultural equipment except for tractors. Thus under measure 121 of this RDP, EAFRD support will not be provided for the acquisition of machinery except for tractors in the 140 Municipalities which are included in the Regional Programme for Restructuring of the Sugar Sector.

4.3.1.33. Chapter 16: Include provision for the financing of ex-post evaluations, audits and preparation of final reports from the previous operational programmes as specified under article 13 of EC Regulation 1320/2006.

5. EXPECTED IMPACTS OF THE AMENDMENTS

5.1. Modifications "Health Check and Recovery Package" according to article 6 (1)(a)

It is expected that with the new measures introduced as well as with the new operations addressing the new challenges included within existing measures, the programme will have a favourable effect in the prevention against adverse weather conditions resulting from climate change, a greater protection of biodiversity, a more rational management of water with regards to both quantity and quality, an increase in the substitution of fossil fuels by cleaner energies and a restructuring of the dairy sector which does not lead to significant losses to the livestock farmers.

5.2. Other modifications according to article 6(1)(a)

The funding of the new AEM sub-measure dedicated to Vine cultivation in dryland not only supports the wine sector in the region but should also lead to important benefits to the natural environment given the widespread area which can be potentially supported. The same positive effect on the environment is expected through the strengthening of the organic farming sub-measure as well as other axis 2 measures through these additional funds.

5.3. Modifications according to article 6(1)(c)

The rest of changes proposed are mainly of a technical nature and intended to improve the implementation and management of the programme, correct a number of shortcomings identified during the years of implementation, ensure increased uptake of the measures and to update legal references, as described in the relevant changes.

The modifications carried out following the recommendations provided by the Commission in the last annual review will ensure compliance of the program with Reg. 1698/2005 and Reg. 1974/2006.

6. ASSESSMENT

I. Taking into account all the above, the amendments are in line with the National Strategy Plan as well as with the regional programme strategy and the National Framework Programme. (Refer to revised RDP - Chapter 3, pages 142 -144 and Chapter 4, pages 169-172 and 187-194 for the inclusion of the new challenges and changes in the strategy to adapt it to the National Strategy plan and National Framework Programme)

II. The changes are in conformity with the Council Regulation (EC) N° 1698/2005 and with the Commission Regulation (EC) N° 1974/2006.

7. FINANCING

7.1. Annual Contribution from the EAFRD (in EUR)

	2007	2008	2009	2010	2011	2012	2013
Convergence region	0	176.219.219	184.514.347	195.998.229	169.671.653	168.884.561	167.804.480
Additional funds art 69 (5bis) of Reg. (EC) No	0	0	5.853.247	12.537.859	12.990.981	17.227.957	21.742.830

1698/2005							
TOTAL EAFRD	0	176.219.219	190.367.594	208.536.088	182.662.634	186.112.518	189.547.310

	Total 2007-2013
Convergence region	1.063.092.489
Additional funds art 69 (5bis) of Reg (EC) No 1698/2005	70.352.874
TOTAL EAFRD	1.133.445.363

7.2. Financial plan by axis (in EUR total period)

Convergence region:

Axis	Public contribution (in EUR)		
	Total public	EAFRD contribution rate (%)	EAFRD amount
Axis 1	663,009,686	64.00	424,326,199
Axis 2	898,120,860	56.25	505,192,984
Axis 3	24,661,996	74.00	18,249,877
Axis 4	153,334,026	74.00	113,467,179
Technical Assistance	4,500,000	41.25	1,856,250
Total	1.743.626.568	60.97	1.063.092.489

Financing plan of the additional funds - article 69 (5) (bis) of Regulation (EC) No 1698/2005:

Axis	Public contribution (in EUR)		
	Total public	EAFRD contribution rate (%)	EAFRD amount
Axis 1	25.500.000	90	22.950.000
Axis 2	52.669.860	90	47.402.874
Axis 3	-	-	-
Axis 4	-	-	-
Technical Assistance	-	-	-
Total	78.169.860	90	70.352.874

Summary table – total period, convergence region:

Axis	Public contribution (in EUR)		
	Total public	EAFRD contribution rate (%)	EAFRD amount

Axis 1	688.509.686	64,96	447.276.199
Axis 2	950.790.720	58,12	552.595.858
Axis 3	24.661.996	74.00	18.249.877
Axis 4	153.334.026	74.00	113.467.179
Technical Assistance	4.500.000	41.25	1.856.250
Total	1.821.796.428	62.22	1.133.445.363

7.3. Indicative budget related to operations referred to in Article 16a of Regulation (EC) 1698/2005 between 1 January 2009 and 31 December 2013 (article 16a (3b) up to the amounts specified in Article 69 (5a) of Regulation (EC) 1698/2005)

Axis / Measure	EAFRD amount
- measure 111	90.000
Sub-measure 111.2	90.000
- measure 114	36.0000
Sub-measure 114.2	360.000
- measure 115	1.350.000
Sub-measure 115.2	1.350.000
- measure 121	9.720.000
Sub-measure 121.1	3.600.000
Sub-measure 121.3	1.800.000
Sub-measure 121.4	4.320.000
- measure 123	6.480.000
- measure 125	4.950.000
Sub-measure 125.1	3.150.000
Sub-measure 125.3	1.800.000
Total Axis 1	22.950.000
- measure 214	47.402.874
Sub-measure 214.4	27.152.874
Sub-measure 214.13	20.252.000
Total Axis 2	47.402.874
Total Axis 3	0
Total Axis 4	0
Total programme	70.352.874