

Country report on the implementation of the new CAP and its possible effects on permanent pastures:

Spain

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Goats using shrubby pastures with juniper trees in a Natura 2000 site in Extremadura. Photo: G Beaufoy

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Introduction

The 17 regional governments in Spain have considerable autonomy in agricultural and nature conservation policies. There are 17 individual Rural Development Programmes, as well as a national programme for certain measures. In the case of Pillar 1 of the CAP, a common model of implementation was agreed between all the governments. However, the regions have the competence to introduce important variations to the default model, for example on the details of pasture eligibility.

1. Pillar 1 payments for permanent grasslands

1.1. EU framework

Different countries have different systems for calculating Pillar 1 basic payments. Most EU12 countries and some EU15 have a flat-rate system for all farmland; some have a flat-rate system but with a lower payment specifically for certain types of land; some have a regionalised system designed to maintain as far as possible the historic distribution of payments (generally keeping very low payments on permanent grasslands and much higher payments on irrigated cropland). As a consequence, similar types of land with similar livestock use have very different levels of payment across the EU.

1.2. Use of payment regions

Royal Decree (RD) 1075/2014 establishes the new CAP direct payments at State level. RD1076/2014 establishes the system of payment rights, including artificial regions that have been created to minimise the redistribution of payments under the new CAP compared to the old. Each region is created from municipalities that had similar payment rates under the old CAP (SPS), and also similar land uses. There are 50 different regions, and 9 of them (1.3, 2.3, 3.3, 5.3, 6.3, 7.3, 8.3, 11.3 and 13.3) are specifically for permanent pastures. Convergence will take place within each region, so that payment rates on pastures will gradually converge.

1.3. Payment rates, redistributive criteria and small farmers

1.3.1. Payment rates

Payments in Spain will be at a similar rate to those under SPS and thus are still indirectly linked to historic rights and payment totals. Each beneficiary will “distribute” the first pillar payments he/she was receiving in 2014 among the number of eligible hectares declared in 2013 or 2015 (whichever is lower); the result will be the rate or “value” of his/her entitlements (one entitlement = one hectare). Therefore, it is difficult to estimate an average payment at this stage, especially as the definitive eligible area is not yet clear. It should be possible by the end of the 2015 or early in 2016.

The optional redistributive mechanism to benefit smaller farms (higher rate of payment for the first hectares) is not implemented in Spain.

The small farmer option is implemented for farmers receiving less than 1,250 euros in Pillar 1 payments. Convergence is not applied to these payments, so they are fixed at the historic level. The total number of farms and hectares is not known at this stage.

1.3.2. Use of reduction coefficients

A system of Reduction Coefficients (RC) is applied to determine the eligible area of parcels with trees and shrubs. This does not affect the rate of payments received by farmers in 2015, but does influence payments in the longer term. See below.

1.4. Implications for pastures

Area payments on semi-natural permanent pastures in Spain will be far lower than in the majority of Member States. With convergence there will be some increase in payment rates on pastures that were under the most extensive use (particularly with sheep or goats) in the SPS reference years, and some reduction on pastures that were in more intensive use, especially with suckler cows.

However, convergence is also affected by the major changes in pasture eligibility that are taking place in Spain, by a combination of Reduction Coefficients and reclassification as forest. Farmers whose eligible area has been reduced to less than the area actually used will have relatively high hectare payments on this smaller area, but will then see these payments reduced through convergence. In other words, all farmers receive approximately the same amount in 2015 as they did in 2013 (all other factors being equal) but those who have had their eligible area reduced will see their payments reduced in the period 2015-19. See below.

For those farmers entering the small farmers scheme, there will no longer be any cross-compliance controls on removal of landscape features such as trees, hedges and semi-natural habitats, and also no greening requirements. The economic thresholds to determine active farmers are also not applied. There is no data at this stage on the amount of farmland affected.

2. Pillar 1 coupled payments for livestock

2.1. Implementation, including objectives and any targeting criteria that are applied to favour certain farming systems

The stated objectives of coupled payments in RD1075/2014 are purely to maintain the current levels of production. No environmental or social objectives are set out for the coupled aids in Spain (these are at least mentioned in the EU regulation). There are no stocking density requirements for any of the coupled payments, so intensive systems can get the payment as well as extensive systems. There is no targeting on particular areas or production systems. There is no degressivity or targeting on smaller holdings, except in the case of dairy cattle.

Suckler cows

The maximum number of animals that can receive the payment is 2.1 million (mainland Spain) and the corresponding budget for 2015 is €187,294,000, resulting in a potential payment of €89 per head (the maximum payment stipulated in the royal decree is €400). The payment amounts announced for 2015 are €108 (mainland) and €316 (islands). To be eligible, a cow must have calved in the previous 20 months. Heifers are also eligible up to 15% of the claim. All claimants will be inspected to verify cow numbers on 1st January, 30th April and on 2 intermediate dates.

Calves

Payments are differentiated between calves fattened on the holding of origin, and calves fattened on a different holding. The actual payment per head for 2015 is €38 for the former and €39 for the latter (figures for mainland Spain). For the islands the payments are €90 and €60 respectively. The maximum payable according to the Decree is €125 per animal.

Sheep

The maximum number of animals that can receive the payment is 15,831,764 (mainland Spain) and the corresponding budget for 2015 is €124,475,000. The payments announced for 2015 are higher than expected due to the rapid decline in sheep numbers, reaching €11 per head (mainland) and €19 (islands). This is equivalent to less than €80 per LU, considerably less than the payment for suckler cows. The payment is for breeding ewes only.

The beneficiary must have a minimum of 30 sheep (a regional government can change this if it has less than 2% of the national census flock). At least 0.4 lambs must leave the holding per eligible ewe per year or it must produce 60 litres of milk per ewe (to prevent the speculative accumulation of animals for the sole purpose of claiming the payment).

Goats

The payment is differentiated between mountain/island regions (860,571 goats) and other regions (801,881 goats). The payments for 2015 are €8 and €7 per head respectively (the maximum is €30), considerably lower per LU than for sheep, and far lower than for cattle. The beneficiary must have a minimum of 10 she-goats (a regional government can change this if it has less than 2% of the national census flock). At least 0.4 kids must leave the holding per eligible female goat per year, or 100 litres of milk per female goat (to prevent the speculative accumulation of animals solely for the purpose of claiming the payment).

Dairy cattle

The payment is degressive beyond the first 75 cows (50% after 75) and higher for mountain and island regions. For the first 75 cows in mainland non-mountain Spain the announced payment for 2015 is €138, and for mountain and island regions it is €127. The higher payment for non-mountain/non-island regions presumably is explained by the severe drop in cow numbers in these regions, so that the available budget has been divided between fewer cattle. After the first 75 cows, the payment drops to €65 and €67.

Special payments for livestock farmers without eligible hectares

That the above coupled payments for all species except suckler cows are not claimable by farmers who received SPS on the basis of “special rights” in 2014 and have no eligible hectares with which to claim Basic Payment, such as indoor livestock systems or landless graziers. Instead they can claim a special coupled payment that is considerably higher than the payments summarised above (as these claimants will not receive the Basic Payment and greening payment). For example, in the case of sheep and goats the budget of €30,155,000 is intended for 1,073,000 animals resulting in an estimated payment per animal of €28.10.

2.2. Implications for pastures

Coupled payments for livestock in Spain are generally lower than in other Member States, especially for sheep and goats. According to the census, the sheep flock has been declining rapidly in recent years, especially sheep in extensive grazing regimes, whereas the suckler cow census is much more stable. Yet the coupled payment rates for sheep and goats are lower per LU than for suckler cattle, which seems illogical and suggests greater political influence from the suckler cow sector.

By way of comparison, there are very high coupled payments in Spain for rice, tomatoes, nuts and leguminous crops (it is not clear how this is compatible with them counting as EFA). The payment for cotton is €1,267/ha. Tomatoes for processing can receive up to a maximum of €1,016/ha.

3. Pillar 1 eligibility rules for pastures with landscape features and trees

3.1. EU Framework

EC DELEGATED REGULATION 640/2014 on IACS sets out the options for MS to design eligibility rules for pastures with landscape features and trees. This is supplemented by the LPIS Guidance Document [DSCG/2014/33 – FINAL]. These texts are critical to the issues that interest us. It is difficult to summarise all the options in these documents without repeating large sections of the texts.

There is a key choice for MS on how to calculate a parcel's eligible area: either subtracting each ineligible feature, including a limit on the permitted number of trees per hectare; or applying a pro-rata reduction in proportion to the percentage of the parcel covered by ineligible features.

Some key points:

- Pastures that consist of >50% trees and/or shrubs should be classified as PG-ELP (permanent grassland with established local practices), and should appear as such on the national LPIS. If the trees/shrubs are grazable "for their whole area" (i.e. entirely accessible to grazing), then there is no upper limit. In this case the pasture can consist predominantly of trees/shrubs, but it must be classed as PG-ELP on the LPIS.
- Trees and shrubs that are NOT grazable for their whole area can be eligible only up to a limit of 100 trees per hectare. If there are more than 100 trees per hectare, then the whole parcel is ineligible.
- Alternatively, MS may apply a pro-rata system or "reduction co-efficient", designed to reduce the eligible area of a parcel in proportion to the presence of ineligible features. There should be no reductions for the presence of grazable trees and shrubs.
- Groups of trees that hamper agricultural activities should not be eligible, they should be classed as woods.
- Landscape features and trees can be protected under MS implementation of GAEC7 (see below), this makes them automatically 100% eligible, even if they are not grazable.

The new category of PG-ELP is very important, as it provides the opportunity for pastures that are predominantly ligneous to be 100% eligible. Under the EU definition of PG-ELP, *established local practices shall be any or a combination of the following:*

- *practices for areas for livestock grazing which are traditional in character and are commonly applied on the areas concerned;*
- *practices which are important for the conservation of habitats listed in Annex I to Council Directive 92/43/EEC (1) and of biotopes and habitats covered by Directive 2009/147/EC of the European Parliament and of the Council (2).*

3.2. Overview of implementation approach

Since area payments were first introduced under the 2005 CAP reform, there has been a State system of eligibility for pastures available to all regions as the default, but with regional governments having the competence to use their own system if this meets EU requirements. There was no State-level system of Reduction Coefficients (RC) for pastures with trees and/or shrubs, nor was there a limit on tree numbers. Pastures with trees (PA on LPIS) and shrub pastures (PR on LPIS) had the same eligibility as all other pastures (PS on LPIS) under the default system. This has led to problems with the European Commission, as the pre-2014 eligibility rules required either pro-rata reductions or a limit on tree numbers.

However, some regions applied a standardised RC from the beginning of area payments, specifically Aragón, Asturias, Baleares, Navarra, the Basque Country and Cataluña. For example, in Navarra pastures with trees (PA on LPIS) and shrub pastures (PR on LPIS) had an automatic eligibility of 25% and 50% respectively. This arbitrary system seems to have been acceptable to the European Commission.

DG AGRI Auditors were not happy with the State system and put increasing pressure on Spain to tighten it up from 2010. Spain responded with an action plan designed in late 2010, including a working group to address the Commission's concerns. This group proposed in 2012 a nationwide methodology to reduce the eligibility of pastures with landscape features and trees. As a result, a pro-rata system of RC was introduced from 2013 in the regions that had not yet applied a standardised one on the basis of the type of pasture concerned.

Further audits performed by DG AGRI in 2013-2014 considered that the reductions achieved with the 2013 RC had not been enough, and further measures were requested, specifically incorporating criteria concerning the penetrability of vegetation by livestock (see below). At the same time, these audits led to a financial penalty of €290 million being imposed on Spain in January 2015, specifically for the PA category in regions that had not applied RC before 2013. Note that the penalty does not apply to the regions cited above that already had RC system, as the Auditors regarded their systems as satisfactory, despite being extremely arbitrary (standard reductions for all PA and PR parcels regardless of their actual grazability).

It is also interesting to note that the pressure from DG AGRI for a more restrictive system was, ironically, coming at a time when a new Permanent Grassland definition was being agreed at EU level (2013) and which made non-herbaceous grazable forage 100% eligible for direct payments.

Following this repeated pressure from EU audits, the Ministry has been aiming to reduce the risk of penalties (and to reduce the total eligible area of pasture – see below for additional reasons for this) by converting PA parcels that might be criticised by the Auditors into the Forest category (FO). The FO category is not eligible for CAP direct payments. This process is being undertaken on the basis of aerial photography and according to the Ministry guidance it explicitly does NOT take account of whether there is grazing activity; DG AGRI Auditors support this process.

After the poor evaluation of the 2013 RC by the Commission, the central government developed a new version of this pro-rata system in 2014, which is at the time of writing was undergoing a “quality check” by the regions before being finalised before the end of 2015, in time for the allocation of the new entitlements.

The pre-2014 State system of Reduction Coefficient could vary across regions, but used mainly two criteria:

- Slope: reductions started at slopes of 60%, excluding areas above 100% (average for each pixel of 5m x 5m – see below)
- Presence/absence of vegetation (in order to exclude bare rocks, roads, water bodies etc.)

The slope criterion is intended to reflect accessibility to livestock but seems to have very little justification in reality. Sheep and goats in particular are quite capable of using forage on steep slopes. Furthermore, parcels on slopes are already “penalised” by the calculation of their area on the basis of remote sensing (the area viewed from above is less than the true surface area of the land). This criterion adds an additional bias against sloping land, thus making their abandonment more likely in the long term as farmers realise their reduced value for CAP support.

Vegetation criteria were added at the discretion of the regional authorities, for example, Andalucía introduced a measure of vegetation penetrability.

Post-2014 the State system added a third criterion, as required by DG AGRI auditors, consisting basically of the average density and height of vegetation in each pixel, captured using LIDAR remotely-sensed imagery. This is leading to further reductions in eligibility for pastures with a high density of trees (pixels with vegetation height >1 m) and/or with a predominance of tall shrubs (generally vegetation height >0.4 m, in some regions >0.6 m).

The new Reduction Coefficient for each parcel is shown on LPIS. The farmer must check that it is in accordance with conditions on the ground and sign a form saying he agrees with all the information in LPIS for each parcel, or present submissions with appropriate justification (e.g. technical report

from an agronomist) if the data on LPIS is not in accordance with the situation on the ground in the farmer's opinion. If the farmer's submission is not upheld, he will be subject to a penalty for over-declaration, in accordance with EU Regulations.

However, several regions are applying a distinct regional system, or a modification of the State system (Andalucía, Asturias, the Basque Country, Cataluña, Cantabria, Galicia, Murcia, Navarra...). There are several different variations. For example, Cantabria applies the State system but without the slope factor. Andalucía applies a model similar to the State system but instead of LIDAR imagery (unavailable in the region) it uses the SIOSE land use map. The Basque Country uses a slightly different model to process LIDAR imagery.

In some regions farmers can propose an alternative RC for their parcels through an administrative process, for example in Baleares and Valencia (FEGA, pers. comm.).

The regional authorities also have the competence to modify the results of the State RC system, for example by introducing additional criteria, correcting the coefficient in areas where the quality control shows it is not working well, and/or by adding a "bonus" percentage to certain land uses. According to FEGA, several regions are contemplating this.

Indeed, RD 1075/2014 states that the calculation of the Reduction Coefficient "will take account of the specific characteristics of certain traditional agro-silvo-pastoral systems of high ecological, economic and social value". This parallel concept of "traditional systems" introduced by the RD creates confusion with PG-ELP below. In any case, it opens the door to correcting the Reduction Coefficient and adapting it to specific situations. In fact, it has already been applied by the central government to increase by 10 percentage points the eligibility of certain *dehesa* parcels in four regions (Extremadura, Castilla y León, Madrid, Castilla-La Mancha) when: i) their eligibility before the correction was between 25 and 75%; ii) more than half of their surface area is included in the "dehesa" LPIS layer; iii) they are classed as pastures on LPIS (either trees (PA), with shrubs (PR) or herbaceous pastures (PS)).

An additional factor that drives the process of ever stricter rules for pasture eligibility is the massive surplus of eligible land on LPIS. The reasons for this lie in the period of headage payments, when real livestock numbers were more than the number of available rights. This led to a situation where farmers were allocated fewer SPS entitlements than they had land actually available for use. Under SPS, farmers were generally advised to declare only the amount of land necessary in order to claim their available SPS rights.

For the new CAP post-2014 the Spanish State and Regional Governments agreed to restrict the eligible area for the new CAP in order to avoid a reduction in the average payment per hectare. This restriction is implemented by limiting the number of hectares a farmer can obtain entitlements for this programming period to the lowest of these two values: i) the number of hectares declared by the farmer in 2015, and ii) the number of hectares declared by the farmer in 2013. The result is that, despite new definitions of permanent grasslands, it is impossible for the total area of land receiving Pillar 1 payments in Spain to increase with the new CAP.

Nevertheless, the view within FEGA (pers. comm. to the Plataforma) is that in a future model of the CAP in Spain each hectare of land in farming use should be eligible for Pillar 1 payments, as occurs in most other Member States. It is therefore important for all land in farming use to be declared in 2015, otherwise there is a danger of land being excluded from the CAP in the longer term (and becoming "dead land" in the words of one farmers' group).

3.3. Approach applied to grazable and non-grazable vegetation, accessible vegetation, patches of shrubs/trees, etc.

There is no definition of grazable and non-grazable vegetation and no identification of forage and non-forage species. Accessibility is interpreted by the automated RC system, using aerial imagery. However, the remote sensing methods that calculate the RC cannot distinguish vegetation that is grazable from that which is not grazable, which should be one of the key elements determining eligibility according to current regulations. Woody vegetation which is determined by remote sensing to be above a certain height and/or density is *a priori* considered to be non grazable.

Dense copses of up to 2500 m² (0.25 ha) are generally “absorbed” into the eligible area by the formula that calculates the reduction coefficient on pastures, but larger patches are excluded through the pro-rata calculation (or, less frequently, by delineation). In the case of shrublands, thresholds are lower: dense scrubby areas above 400 m² (0.04 ha) are considered to be inaccessible for livestock and therefore excluded; such areas may be perfectly accessible for goats. However, the State framework for GAEC proposes thresholds for larger tree copses (up to 0.3ha) and patches of shrubby vegetation (0.1ha) for their protection under GAEC7, making them therefore fully eligible. This would be at the discretion of regional governments. Extremadura for example has implemented GAEC7 with identical wording to the State framework legislation.

The system cannot “see” the ground layer vegetation below a relatively closed tree (or shrub) canopy, and this may be predominantly herbaceous pasture. The Permanent Grassland definition states that such land “may include other species such as shrubs and/or trees which can be grazed provided that the grasses and other herbaceous forage remain predominant”. The Commission’s LPIS Guidance Document clarifies that this should be understood as: “grasses or other herbaceous forage” should cover more than 50% of the eligible area of the agricultural parcel of permanent grassland”. The herbaceous layer of wood pastures may cover considerably more than 50% of the parcel, but still be hidden by a tree canopy which also has a cover of more than 50%, even up to 100%. The LIDAR detection system is fundamentally flawed in that it cannot detect such situations. Many parcels with these characteristics have been re-classified as Forests (FO) in LPIS, which makes them fully ineligible. The EU regulations are being incorrectly applied in such situations, but DG AGRI auditors do not object.

In contrast, the system seems to be quite tolerant of dispersed tree cover, as found in many *dehesas* for example, and does not reduce the eligible area as a result of such cover. Nevertheless, *dehesas* with high number of trees or with abundant shrubs, a configuration typical of areas in the process of regeneration, are penalised by the RC. This constitutes a disincentive for the sustainable management of *dehesas*, many of which are aging and degrading due to inappropriate practices, such as seasonal over-stocking of livestock, which impede regeneration. Research has found that the fodder output¹ of some *dehesas* is optimal with 70% tree cover and 60% cover of broom and similar vegetation, ironically a situation that faces major problems for CAP eligibility.

3.4. Implementation of GAEC7 on pastures

The relevant GAEC rule in Annex II of Regulation 1306/2013 is:

GAEC 7: Landscape, minimum level of maintenance. Retention of landscape features, including where appropriate, hedges, ponds, ditches, trees in line, in group or isolated, field margins and terraces, and including a ban on cutting hedges and trees during the bird breeding and rearing season and, as an option, measures for avoiding invasive plant species.

Note that all features explicitly protected under GAEC7 through national implementation rules are automatically included in a parcel’s eligible area.

¹ In terms of Metabolisable Energy (ME)

In Spain, the State-level GAEC7 requirements are established in RD 1078/2014. The elements covered by GAEC7 are described as:

- Hedges
- Isolated trees, trees in lines and in groups
- Field margins
- Ponds and natural livestock drinking points
- Patches of natural vegetation or rock
- Retaining terraces
- At the discretion of the regional authorities: heaps of stones, small structures such as dry-stone walls, dovecots, and other elements of traditional architecture that can harbour wildlife

The threshold size of elements to be covered by GAEC7 is to be decided by regional governments within the State framework as follows: i) hedges and boundaries up to 10 m wide, ii) groups of trees with a surface area up to 0.3ha, iii) patches of rock or natural vegetation up to 0.1ha, iv) ponds and natural drinking points up to 0.1ha, v) terraces up to 10 m wide. Extremadura for example has implemented GAEC7 using the same wording and thresholds as the State framework legislation.

There seems to be a lack of definition for some elements. In particular, “isolated trees” are not defined, and it is not clear how to distinguish these from “non-isolated trees” in a wood pasture context.

3.5. Use of PG-ELP and other specific inclusion/exclusion of land cover types

RD 1075/2014 includes the national definition of permanent pasture. This in turn includes the same wording from the EU definition about PG-ELP. However, there is no indication in the text of how this is to be implemented in practice in Spain. According to the Ministry-Paying Agency (FEGA), it is the competence of the regional authorities to implement PG-ELP, there is no intention to act at State level beyond including PG-ELP in the permanent pasture definition in RD1075/2014.

At the time of writing (October 2015), several regions are contemplating applying the PG-ELP formula, and also modifying the results of the automatic RC. The final model of application in each case will not become completely clear until the end of 2015 or early 2016.

3.6. Implications for pastures

Of the total Spanish pasture area, only a very small proportion is predominantly herbaceous. This is illustrated very clearly by the 2013 LPIS data, set out in Table 1 below. Approximately 86% of the total area of eligible pastures on LPIS is in the categories of pastures with trees (PA) and pastures with shrubs (PR). When these LPIS categories were created, the criteria applied for photo interpretation were 40-100% shrub cover and 40-75% tree cover. They amount to 16 million ha in total. By contrast “herbaceous” pastures (PS) cover only 2.5 million ha, but this category can include up to 40% tree/shrub cover according to the initial criteria, so is also far from being purely herbaceous.

As Table 1 shows, pastures with >40% trees/shrubs are the predominant types in all regions of Spain, not just in certain regions. However, there are variations to the pattern. Regions where herbaceous pastures make up a more significant proportion of all pastures (though still only 30% at most) include Atlantic regions such as Asturias, Basque Country, Cantabria and Galicia, as well as Andalucía. At the other extreme are regions such as Castilla-La Mancha where less than 4% of pastures are in the predominantly herbaceous category and there are 2.5 million ha of pastures with >40% trees/shrubs.

Table 1. Area of key LPIS categories in 2013 – all are CAP eligible, except forest, which is shown on LPIS but CAP ineligible.

	Pasto Arbolado (PA)	Pasto Arbustivo (PR)	Pastizal (PS)	Total pasture	Forest (FO)	TOTAL
	(ha)	(ha)	(ha)		(ha)	(ha)
ANDALUCIA	1,006,510	881,027	965,679		1,153,160	4,006,376
ARAGÓN	373,461	1,379,050	43,030		889,390	2,684,931
ASTURIAS	11,820	308,188	109,519		385,660	815,187
BALEARES	40,092	81,008	3,145		101,403	225,649
CANARIAS	1,670	376,507	4,422		102,828	485,426
CANTABRIA	24,930	179,890	119,722		141,813	466,365
CASTILLA-LA MANCHA	816,849	1,669,866	92,892		983,493	3,563,099
CASTILLA Y LEÓN	772,475	2,277,398	371,840		1,312,797	4,734,510
CATALUÑA	397,730	672,859	40,284		895,324	2,006,197
EXTREMADURA	1,059,218	789,970	223,956		297,643	2,370,787
GALICIA	63,235	825,041	344,193		1,051,578	2,284,047
MADRID	94,360	186,775	37,669		70,524	389,328
MURCIA	93,630	295,202	6,828		121,418	517,079
NAVARRA	28,302	145,821	77,047		362,426	613,596
PAIS VASCO	22,789	77,123	73,389		359,448	532,750
LA RIOJA	34,083	182,669	5,455		84,383	306,590
VALENCIA	153,896	767,102	13,357		357,500	1,291,855
TOTAL	4,995,051	11,095,505	2,532,426	18,622,983	8,670,789	27,293,771

Source: SIGPAC (LPIS) 2013

In a recent report from the *Plataforma*², a series of predominantly ligneous pastures were described and their eligibility for first pillar payments analysed. A list of these pastures, which constitute a good representation of Spanish non-herbaceous pastures with ecological and productive importance, is shown in Table 2. Most of these pastures are distributed in mosaics with other types of vegetation. The *Plataforma* report contains many examples with photographs showing cases where the current rules exclude actively grazed pastures from direct payment eligibility.

Table 2: Examples of problems faced by non-herbaceous pastures under the new eligibility system in Spain

Type of pasture	Habitat	Main issues detected
<i>Dehesa</i> -type pastures	6310, open forms of 91B0, 9230, 9240, 9260, 9560...	High eligibility and generally regularly grazed. In some areas of Spain, a 10% additional bonus on the pro-rata coefficient has been established for evergreen oak dehesas. A major issue is dehesa areas in regeneration (with little or no grazing use for 10-20 years), which lose their eligibility due to shrub and tree encroachment, but which are crucial for the sustainability of the system.
<i>Pinus halepensis</i> forests	9540	Low pro-rata coefficient, and sometimes reclassified as forests, despite the fact that their light canopy does not interfere that much with the development of the understorey. The understorey has relatively low nutritive value, but is a key resource for

² <http://www.ganaderiaextensiva.org/InformeElegibilidadPastos.pdf>

		transhumance descending to lowlands in the winter.
<i>Pinus uncinata</i> forests	9430	In mosaic with high mountain grasslands, sometimes encroaching into them. Adequate pro-rata coefficient in PR and PS parcels, but too low in PA: it seems that the understorey, which is quite abundant, has not been taken into account.
<i>Quercus pyrenaica</i> forests	9230	Existing in a wide range of tree densities, from dehesa-type grasslands to dense forests. Low pro-rata coefficients in the latter. On too many occasions, reclassified as forest parcels, even when they have a clear silvopastoral use: some farms use these pastures all year round.
<i>Quercus ilex</i> forests	9340	Covering very large surfaces in Spain, they are very varied and are found in mosaics with other vegetation. When dense, frequently reclassified as forests, but constitute seasonal fodder thanks to their acorn production. Higher eligibility with open structures, if not too shrubby.
<i>Quercus faginea/humilis</i> forests	9240	In PA parcels, the pro-rata coefficient does not distinguish between good pasture situations (open accessible forests) and abandoned areas. Many areas reclassified as FO, despite their silvopastoral use and the fact that in some of them tree clearing and pasture improvement actions have taken place.
Thorny leguminous basophilous shrublands	4090	Pro-rata coefficients are generally high, sometimes even too high when shrubs are very dense but short. On other occasions, coefficients have been found to be too low, apparently due to the presence of scattered high shrubs. The best pastoral-conservation scenarios are not favoured with higher eligibilities.
Mixed gorse-heath shrublands	4020, 4030	Very dynamic communities, with both fire and grazing management. The detailed field work performed has shown that the remote sensing imagery used for the estimation of pro-rata coefficient (generally a few years old) has very little correlation with the vegetation and actual grazing use measured in 2015.
Halo-nitrophilous shrublands	1420, 1430	Their open structure, with shrubs intermixed with an ephemeral herbaceous stratum is being penalised by the pro-rata for lack of perennial vegetation. However, this is the characteristic structure in the soil-climate conditions where this vegetation is found, and the grasses constitute important fodder, albeit short-lived.
Mediterranean high mountain wet pastures	6230 (5120, 6120)	These herbaceous communities are in close mosaic with mountain shrublands, and all are considered together in the LPIS. They play a very important role as summer pastures for transhumant livestock, but in certain areas they are completely excluded from direct payments, with a 0% pro-rata coefficient.
Thermo-mediterranean shrublands with <i>Olea europaea</i> var. <i>sylvestris</i>	9320	Either reclassified as forest parcels, or with a 0% pro-rata coefficient when shrub cover is high, these communities are very productive woody pastures. Frequently used by well adapted goats, which can access and graze very dense shrublands, or by cattle in more open areas, their eligibility is significantly lower than it should be.
<i>Quercus coccifera</i> shrublands	5330	They are usually very dense shrubby communities, so the pro-rata coefficients are very low, and frequently 0%. Their pasture value is not particularly high, but goats and other hardy livestock can live on them for part of the year, and play an important role in keeping the area open and reducing the risk of wildfires.

<i>Cytisus scoparius</i> shrublands	4090	They are high (1-2 m) shrubby communities, typically with an herbaceous understorey. Tall shrubs are severely penalised in the Spanish pro-rata coefficients, which do not take into account the lower vegetation strata. Only open shrublands in mosaic with patches of grass have maintained a high eligibility.
Encroached highland herbaceous pastures	6170, 6210	Insufficient grazing has led to these high-quality pastures being increasingly encroached and intermixed with shrubs. Very different situations (from high to zero eligibility) have been recorded, not necessarily according well with current vegetation. Low eligibility will increase the risk of losing these pastures due to encroachment.

GAEC7 is potentially an important part of the policy package and Spanish implementation at State level includes a range of landscape features including large groups of trees and patches of natural vegetation such as shrubs. However, identifying all of these elements on LPIS is a huge administrative exercise that is not complete. It also implies a very rigid control of the landscape with little scope for the vegetation dynamics normally associated with mosaic pastoral landscapes. It is not clear how this will influence the final eligibility of pastures in Spain.

4. Pillar 1 “maintenance” and “minimum activity” rules

4.1. EU framework

The key Regulation is Delegated Regulation 639/2014 supplementing Regulation 1307/2013 establishing rules for direct payments to farmers.

The Regulation states that in order to fulfil the obligation to maintain the agricultural area in a state suitable for grazing or cultivation without preparatory action going beyond usual agricultural methods and machineries, MS must define:

- at least one annual activity to be carried out by a farmer. Where justified for environmental reasons, Member States may decide to recognise also activities that are carried out only every second year;
- the characteristics to be met by an agricultural area in order to be deemed maintained in a state suitable for grazing or cultivation.

These criteria must not require production, rearing or growing of agricultural products. MS may distinguish between different types of agricultural areas.

It seems as though this wording does not explicitly exclude MS from defining minimum grazing requirements, so long as this is not defined in terms of rearing livestock (production). However, the Commission has stated in several meetings that they do not want to see minimum LU/ha as a requirement, for fear of WTO complaints about incentivising production. They have recommended mechanical cutting as the minimum activity on grazing lands.

4.2. Implementation

In Spain, it is Royal Decree 1075/2014 (notably Articles 11-12 and Annex IV) which defines the minimum activity rules. For pastures, farmers must inform the authorities whether a parcel is in agricultural production or is going to be maintained through annual grazing, mowing (herbaceous pastures) or shrub-cutting (ligneous pastures). At the discretion of the regional authority and when justified by environmental reasons, this annual maintenance can be performed every two years.

To ensure coherence between the size of the agricultural activity and the pastures declared, a minimum stocking density of 0.2 LU/ha is expected on all livestock farms receiving direct payments in Spain. This stocking density is calculated after the application of the RC for pastures and using the standard coefficients for various categories of livestock.

Although not a legal requirement, if a holding falls below this livestock density threshold, then the farmer should apply a maintenance technique in part of his pastures (the part necessary to reach the threshold) in order to avoid his situation being considered potentially fraudulent. Other circumstances which are considered “high risk” and to invite inspection include declaring pastures more than 50 km away from the farm and maintaining pastures with means other than grazing for three or more consecutive years.

EFNCP considers it very positive that grazing is included as an option for minimum maintenance of pastures under Spanish implementation. However, the Commission does not agree with this and has asked for Art 11 of the RD1075/2014 to be modified, because they do not want to see grazing as an option for minimum activity, only mechanical interventions. EFNCP considers that a minimum grazing requirement is NOT a production incentive, any more than requiring annual tillage is a production incentive. In both cases there is no requirement to produce or harvest, only to maintain the land.

4.3. Implications for pastures

Considering the Reduction Coefficients applied on pastures, it is likely that most farms will meet the minimum requirement of 0.2 LU/ha, even those using pastures with low productivity. It seems that only large estate owners with little (if any) farming activity could be in difficulties, but even those without a livestock farm registered can opt for the alternative management of land (mowing/shrub clearing). Beyond this, this administrative control will provide little information of interest regarding the good management of pastures. Overgrazed and abandoned pastures can coexist in a farm, possibly hidden behind an average stocking rate which may be considered optimal. On-site controls may be the only way to determine fraudulent situations (i.e., abandonment of pastures), but will only be applied to 5% of the farms annually.

It seems that all transhumant farmers who use distant (>50 km away) pastures will be considered “high risk” and will be inspected. Necessary as this seems to avoid land speculation, it could also become an additional burden for transhumant herders.

Possible improvements:

- Allowing shrub clearing as minimum maintenance for up to three consecutive years could make it too easy for intensive farms to declare pasture land and receive aids for land they do not intend to use. Linking shrub clearing to grazing in the following year would be an improvement: clearing land mechanically to regenerate pastures is a valid and useful technique, but it has been proven to be most effective when followed immediately by grazing to control resprouting vegetation. Therefore, when a parcel of ligneous pastures is maintained by shrub clearing one year, the authorities should require that grazing is applied the following year.
- In the case of mown herbaceous pastures, it may be necessary to include a condition that mowed grass must be collected and extracted from the pasture at least once in every three years. This is better for biodiversity and could help avoid pastures being mown without any linkage to a farming system.
- Establishing a minimum stocking rate for each parcel, rather than for the whole farm. Farmers could provide information of when (and with how many animals) they plan to use

each of the parcels they declare, and all of them should reach the minimum threshold established.

- Confirmed transhumant farmers could be provided with some kind of official certification that facilitates all types of administrative procedures for them, including those that regulate the declaration of distant pastures.

5. Protection of environmentally sensitive grasslands

5.1. EU framework

EFNCP has been proposing for many years a stronger incentive under Pillar 1 for farmers to conserve semi-natural grasslands, through a special grasslands payment with simple conservation requirements. DG ENV has also been pressing for better protection measures, leading to a new mechanism for designating and protecting “environmentally sensitive grasslands”. Under Article 45 of the main Direct Payments Regulation 1307/2013:

- *Member States shall designate permanent grasslands which are environmentally sensitive in areas covered by Directives 92/43/EEC or 2009/147/EC, including in peat and wetlands situated in these areas, and which need strict protection in order to meet the objectives of those Directives.*
- *Member States may, in order to ensure the protection of environmentally valuable permanent grasslands, decide to designate further sensitive areas situated outside areas covered by Directives 92/43/EEC or 2009/147/EC, including permanent grasslands on carbon-rich soils.*
- *Farmers shall not convert or plough permanent grassland situated in areas designated by Member States under the first subparagraph and, where applicable, the second subparagraph.*

The new CAP also maintains the existing mechanism designed to prevent an overall decline in the extent of permanent grassland declared by farmers at MS level, or more specifically the ratio of grassland to other farmland, as follows:

- *Member States shall ensure that the ratio of areas of permanent grassland to the total agricultural area declared by the farmers in accordance with point (a) of the first subparagraph of Article 72(1) of Regulation (EU) No 1306/2013 does not decrease by more than 5 % compared to a reference ratio to be established by Member States in 2015*

Environmentally sensitive permanent grassland areas outside the areas covered by the Habitats and Birds Directives shall be designated on the basis of one or more of the following criteria:

- *covering organic soils with a high percentage of organic carbon, such as peat land or wetlands;*
- *hosting habitats listed in Annex I to Directive 92/43/EEC or protected under national legislation;*
- *hosting plant species listed in Annex II to Directive 92/43/EEC or protected under national legislation;*
- *being of significant importance for wild bird species listed in Annex I to Directive 2009/147/EC;*
- *being of significant importance for wild animal species protected under Directive 92/43/EEC or protected under national legislation;*
- *covering permanent grassland of high nature value as defined by objective criteria to be established by the Member State;*
- *covering soils with a high risk of erosion;*

- *being located in a sensitive area designated within the river basin management plans pursuant to Directive 2000/60/EC.*
- *Member States may decide every year to add new designated areas and shall inform the farmers concerned of that decision in due time.*

5.2. Implementation of ESPG

ESPG is addressed at State level under Art 21 of RD1075/2014. This establishes the required ban on ploughing or converting ESPG. According to this Article, ESPG in Spain will only be designated within Natura 2000. Determining the specific grasslands to be designated is a competence of the regional authorities. Regions have taken a range of approaches, in some cases designating only a small proportion of Natura 2000 grasslands as ESPG (FEGA pers. comm.).

The wording states that ploughing must not go beyond that necessary for the maintenance of permanent pastures. This could be seen as allowing superficial tillage for reseeding. If a farmer ploughs an area of ESPG, he/she is obliged to reconvert the land to permanent pasture. The competent authorities may also require the farmer to correct any environmental damage.

5.3. Implications for pastures

The ESPG mechanism in Spain appears to allow for mechanical interventions that are required for maintenance of permanent pasture, which could include reseeding. Such interventions can be very damaging of some types of semi-natural grassland. On the other hand, Mediterranean types of grassland tend to be dominated by annual species and species diversity recovers relatively rapidly from the available seedbank. Also, ploughing of permanent pastures is not perceived as a major environmental concern in Spain. Abandonment is the main concern, and this threat is not addressed by the ESPG mechanism; it may even be exacerbated, as the additional restrictions on management as compared with “normal” permanent pastures are not compensated with an additional greening payment, and there is thus a disincentive for their continued use.

6. Control of the ratio of permanent pasture area to the total agricultural area declared by farmers

6.1. Implementation nationally and for individual farmers

This mechanism is applied at State level. The total area of permanent pasture calculated for this mechanism is the area declared in 2012 plus any additional area declared in 2015. The area is calculated before the application of the reduction coefficient, otherwise a considerable decline would have been indicated since 2012. Land declared by farmers in the small farmers’ regime or in organic production is excluded from the calculation.

The ratio of declared permanent pasture to total declared farmland must not fall by more than 5% with reference to the [2012+2015] baseline. If the total area of declared permanent pasture does not decline by more than 0.5% in a given year, then the obligation is considered to have been met. If the obligation is not met, then farmers who have converted permanent pasture to other uses will be obliged to recreate permanent pasture.

6.2. Implications for pastures

As a control mechanism for preventing a decline in permanent pasture, the mechanism does not seem efficient. The mechanism would only affect a farmer’s decision after the national trigger, i.e. after significant losses have already occurred. The obligation on the farmer would then be to sow new grassland to replace that which has been lost, but the environmental damage has already been done: a newly-sown grassland is of minimal benefit compared with an ancient grassland that has been ploughed.

In Spain, by far the most likely cause of a significant decline in permanent pasture area is abandonment. If the 5% threshold is breached, but the main cause has been abandonment rather than conversion to other uses such as cropping, it is not clear how the authorities should respond. There seems to be no mechanism for obliging farmers to restore abandoned permanent grassland. It is also ironic that the authorities themselves have recently converted large areas of permanent pasture to “forestry” use on LPIS, as explained in previous sections.

As a monitoring mechanism, it seems potentially more useful. However, it has failed to be useful in Spain to date (pre-2014) because the grassland figure that is monitored is only the grassland declared by farmers. As explained above, a vast area of grassland on LPIS has not been declared by farmers, even though some of it, at least, has been in use in recent years. So although the extent of declared grassland has not declined significantly over recent years, the extent of grassland on LPIS has declined massively. In part this is because authorities have gradually been reclassifying some grasslands with significant tree/shrub cover as forest. There may also be abandonment.

7. Pillar 2 payments

7.1. Relationship between eligibility for Pillar 1 payments and for Pillar 2 area payments

These rules are determined at the regional level. The current study does not have the resources to explore the rules in all 17 regions. As an example, in Extremadura the agri-environment-climate measures are available only on land that is eligible for Pillar 1 direct payments.

7.2. Payments in Areas with Natural Constraints (ANC)

Although there is a State framework, some implementing rules are determined at regional level, for example, the maximum payment per holding is established at State level as €3,000, but a lower level can be set by regions (e.g. €2,500 in Extremadura).

The National Framework for Rural Development for 2007-13 affirms that the LFA measure has shown itself to be “effective in preventing abandonment of rural areas and particularly of HNV farming areas”. The RDPs for 2014-20 make similar claims. These unfounded assertions are completely contradicted by the 2003 Mid-term Evaluation (MTE) report on the LFA measure in Spain³, which concluded that:

- The LFA payment barely has an impact on maintaining farmland in use because of the small payments [then a max of €2,000 per holding, currently a max of €3,000 per holding].
- The field studies found that the payment had no influence in maintaining farming activity.
- The payment represented only between 3.4% and 7% of the income of the claimants.
- The effects of the LFA payment in maintaining the rural population were very low or non-existent.
- The only positive point identified were the rules requiring a minimum livestock density. However, the change from headage to area payments under the LFA measure had excluded the least favoured extensive livestock graziers from the scheme, as often they do not have land on which to claim the LFA payment.

In spite of this highly critical 2003 MTE report, the national framework document and most of the regional RDPs continue to affirm the positive effects of the LFA measure. This total disconnect between the affirmations and justifications in the current programming documents and the official, independent evaluation of the preceding period is worrying, to say the least. It suggests that the

³ Escuela Técnica Superior de Ingenieros Agrónomos U.P.M. and Saborá Sociedad de Estudios, 2003. EVALUACION INTERMEDIA DE LA MEDIDA DE INDEMNIZACIÓN COMPENSATORIA EN DETERMINADAS ZONAS DESFAVORECIDAS (Periodo 2000/2003)

current system of evaluation and monitoring is of almost no value in terms of improving understanding of policy effects and of driving policy improvements.

Keenleyside et al (2014)⁴ looked at the implementation of the LFA measure in Aragón in the period 2007-2010. The RDP documents give a very positive picture of the LFA measure in the region. The approximate annual expenditure on the LFA measure in Aragón for the period 2007-2009 was €11,533,333, equating to about €57/ha of land receiving payment. The maximum payment per holding is €3,000.

The extent of farmland supported is quoted in the RDP for Aragón as being 980,000 ha in total. In terms of the expected results of the measures, the RDP quotes 980,000 ha for “improved biodiversity” and also for “preventing the degradation and abandonment of land”. The impacts are expected to be “very favourable” for maintenance of HNV farmland and “reversing the trend of biodiversity decline”. However, the regional MTE for 2010 reports that the objective for uptake of these measures was 269,689 ha, while the reported actual uptake was 201,010 ha (20% of the area quoted in the RDP for “expected results” in terms of biodiversity).

The eligibility criteria in Aragón excluded many farms below the various thresholds set - farm size, proportion of income from farming, etc. Thus, the positive presentation of the measure in the RDP, with its claims of very favourable effects on the environment, seems to bear no relation to the reality of the scheme’s design and implementation.

The requirements of the LFA measures in Aragón, and generally across Spain, are not designed to favour extensive grazing systems. The measure has a minimum stocking density of 0.2 LU/ha and a maximum of 1 LU/ha (<800mm rainfall) or 2 LU/ha (>800mm rainfall). These upper limits are very high and allow quite intensive systems to qualify. The regional agri-environment measure for permanent pastures (see below) sets an upper limit of 1.4 LU/ha in more productive areas and a lower limit of 0.1 LU/ha in less productive areas. This illustrates an inherent tension in the CAP policy structure: AE schemes have to be more demanding than LFA criteria in order to justify the AE payment, whereas it might be more logical to have just one unified measure with the lower livestock limits

7.3. Agri-environment (AE) and Natura 2000 payments for extensive grazing/semi-natural pastures

Generally, there has been limited implementation of measures of this sort for extensive grazing systems in Spain since their introduction at EU level (30 years ago in the case of agri-environment).

Some regions implemented no such measures in 2007-13. This is the case for Andalucía, a large region with a great diversity and extent of semi-natural pastures, pastures which account for a large part of the extensive Natura 2000 network in the region. The 2007-13 RDPs as approved by the EC included three very relevant schemes:

- Sustainable use of *dehesa* wood pastures.
- Extensive grazing as a tool for landscape conservation
- Farming systems of special interest for steppeland birds

⁴ Keenleyside, C, Beaufoy, G, Tucker, G, and Jones, G (2014) *High Nature Value farming throughout EU-27 and its financial support under the CAP*. Report Prepared for DG Environment, Contract No ENV B.1/ETU/2012/0035, Institute for European Environmental Policy, London.

However, these three measures were never implemented, and finally were cancelled by the regional authorities. In terms of the region's commitment to the biodiversity priorities of the EU, including under rural development policy, this state of affairs is extremely unsatisfactory. The fact that it can happen with no further consequences indicates that EU governance is very weak in this area of policy.

Some other regions have at least implemented some measures for supporting semi-natural pastures and the grazing systems that maintain them, even though the scale of such measures seems very inadequate. For example, the Aragón RDP for 2007-13 highlights the threat to biodiversity in the region posed by the abandonment of HNV farming systems in both mountain (hay meadows and pastures) and steppe (extensive arable and pastures) areas. The main need identified is to maintain traditional practices such as grazing and hay cutting.

The two agri-environment measures for pastures and hay meadows have an uptake objective of 272,800 ha, with over 90% of this target to be within Natura 2000 (although the total extent of pastures and meadows within Natura 2000 is much greater, at 496,140 ha). The pastures scheme alone would cost €16,368,000 per year to execute on the target area. In practice, expenditure figures in the MTE suggest that implementation has fallen far short of the targets, with a total of €3,781,288 per year on the two schemes. From the expenditure figures it seems that the scheme may have been taken up on <13 per cent of the area of pastures and meadows within Natura 2000 and <4 per cent of the regional total of these land uses.

8. CAP context indicators on grassland habitats and on extensive livestock

8.1. Indicator on grassland habitats

8.1.1. EU background

Indicator 36) is a new CAP indicator: Conservation status of agricultural habitats (grassland). However, essentially it is the same data as reported by MS to the Commission under Article 17 of the Habitats Directive, on the conservation status of Annex 1 habitats.

The Commission guidance on the CAP indicators states the following:

- *The indicator on conservation of agricultural habitats is essential for the diagnostic and SWOT of RDPs. It will enable to assess the level of ambition of the Natura 2000 measures proposed by MS in the programme for the focus area on biodiversity. The information is complementary to the FBI (farmland birds index) which is not an indicator on habitats and only focused on common birds. It is also relevant for the first pillar as EFA, the grassland measure of the greening and cross compliance are complementary key elements which contribute to the improvement of the conservation status.*
- *For the 2001-2006 reporting, the figures on grassland (only dataset available in relation to agriculture since the habitats directive only covers habitats related to grassland, none on permanent crops and arable), for each MS at national level and also broken down by biogeographical level, are already available. BG, RO and HR were not covered.*
- *For the 2007-2012 reporting, data will also be available for grassland for each MS at national level, and also broken down by biogeographical level. In some MS, the data will also most probably be collected at NUTS 2 level (UK, IT, DE, BE), but it has to be discussed with those MS their potential availability. An indicator will be provided in 2014-15 (depending on MS reporting) on the basis of the data reported by MS in 2013 and used for the monitoring of progress in reaching Target 3a of the EU 2020 Biodiversity Strategy.*
- *For the 2013-2018 reporting, the feasibility of a split at NUTS 2 level is under discussion.*

Data for the biogeographical regions in each MS have been included in the database. Maps and more information on the biogeographical regions can be found in the following link: http://ec.europa.eu/environment/nature/natura2000/sites_hab/biogeog_regions/index_en.htm

8.1.2. Current monitoring system for conservation status (extent and condition) of Annex 1 grassland habitats

The regional authorities are responsible for terrestrial habitat monitoring and assessment. They send data to the State Ministry, who sends it on to the EC.

So far there have been reports to the EC in 2001, 2007 and 2013. A big problem has been that if one administrative region has no data for a given habitat in a given biogeographical region, then the status is recorded as “unknown” for that biogeographical region, even if all the other regions provided data. Hence the great majority of habitats in the Mediterranean region being recorded as unknown in 2001 and 2007.

In 2013, the State Ministry was more involved in co-ordinating, and there was more data available from many regions. The result was more complete, with many fewer “unknowns”.

The overall results for all Annex 1 habitats (not just grasslands) in 2013 were: 152 unfavourable, 62 unknown and 30 favourable. In terms of trends, over 25% of habitats in unfavourable condition are also declining in condition. Less than 10% are improving.

For grasslands, the numbers of habitats are as follows:

	FV – favourable	XX – unknown	U1 - unfavourable	U2 – bad
2007	0	30	1	2
2013	5	4	14	10

Note that the grasslands group of habitats includes dehesas and several grasslands with a shrub component, but does not include predominantly woody pastures (dominated by shrubs and/or trees). The latter are in other groups (Forests, Sclerophyllous scrubs, Heaths).

Note also that in the summary report, the list of threats (e.g. agriculture, forestry, mining etc...) provided by the EC does not include “abandonment” or under-use as an option. However, in the complete habitat report, it is an option. For example, here it is noted as a main threat for habitat 6210, along with intensive grazing:

- A04.03 - abandonment of pastoral systems, lack of grazing H - high importance
- A04.01 - intensive grazing H - high importance

There is no established and functioning system for surveying the extent and condition of habitats. The situation is not known for all 17 regions, but judging from the text of some new RDPs, these regions do not have systems in place either. Some are proposing to finance the establishment of a system under the new RDP.

The following table from the 2013 report shows the percentage of habitats assessed by each method. Note that the Structure and Function criteria were assessed by complete survey in only 9% of habitats. The vast majority were by extrapolation.

Habitats

	Map	Range	Area	Area trend	Str.&Funct.	N2000	Average
Expert opinion (%)	6	0	5	31	68	0	16
Extrapolation (%)	90	88	76	37	30	89	68
Complete survey (%)	4	11	14	1	2	9	7
Absent data (%)	0	1	5	32	0	1	7

This year the Ministry begins a new project to design a complete habitat monitoring system. This will consider and propose what criteria and indicators to use for assessing FCS, and the survey methods to be applied. For measuring the extent of habitats they expect to use remote sensing methods, such as LIDAR.

The total budget is €900,000, which is far less than the cost of the earlier *Bases Ecológicas* project that is described in the next section. The biodiversity unit within the Ministry tried to get funding for the project within the national level RDP, but this was rejected by the part of the Ministry with RDP competence.

The proposed design should be complete by 2017, and will then be discussed with the regional authorities in order to agree a common system. The next Article 17 report is due in 2019.

Grassland habitats are seen as especially difficult and resources may not be sufficient to develop complete monitoring systems for all these habitats. One problem, according to the Ministry official in charge of the project, is the phytosociological system with which Annex 1 habitats are classified. The reality on the ground is that many grassland habitats occur in a mosaic, including mosaic with shrub and forest habitats. FCS needs to be assessed for these mosaics of habitats, it is not possible or desirable to define or assess FCS for all the individual habitats within a complex mosaic.

8.1.3. Guidance at national or regional level to define FCS (favourable conservation status) of Annex 1 grassland habitats

At State level, the closest thing to FCS guidance is the *Bases Ecológicas Preliminares para la Conservación de los Tipos de Hábitat de Interés Comunitario en España*, published by the Ministry in 2009. This work was carried out by independent experts (300 in total). For pastures, it was done by Sociedad Española para el Estudio de los Pastos and Asociación Española de Ecología Terrestre.

The work provides a lot of ecological detail about each habitat, constituting an extremely important step forward from the EU Habitats Manual. It explores and proposes criteria and methods for assessing FCS for the different habitats. It does not completely define FCS in all cases or provide a complete methodology for assessing and monitoring FCS, but it does make very important steps towards this and provides a robust basis on which this could be done

8.1.4. Implications for pastures

Of the 33 grassland habitats in Spain, 24 were in unfavourable condition (including 10 in bad condition) in 2013. Given this situation, it could be expected that the RDPs for 2014-20 would include an ambitious range of measures to address the problem. From what we have seen, the new RDPs are very similar to the previous period, although some do include proposals to finance improved habitat monitoring at regional level.

The new grasslands indicator will have no bearing on the 2014-20 RDPs, as the next Article 17 report is not due until 2019. So the question is whether the results that emerge in 2019 will have any

influence on the design of the subsequent RDPs. There seems no reason to expect this, since the previous data seems to have had no influence on the content of current RDPs.

8.2. Farming intensity indicator

8.2.1. EU framework

Indicator 33) is on Farming intensity, including: Areas of extensive grazing - UAA utilised for extensive grazing (UAA with cattle/sheep/goats density < 1 LU/ha of forage area, defined as forage crops, permanent pastures and meadows and common land).

8.2.2. Implementation of indicator on “Areas of extensive grazing” – is it an accurate reflection of the extent of extensive livestock systems?

The figure given for this indicator in the national RDP is 35.3% of the total UAA of 23.7 million ha, exactly the same figure as is given for the total extent of permanent meadows and pastures in the indicators table. The method or sources used are not shown in the RDP.

Given the above coincidence, it seems unlikely that the figure given for “areas of extensive grazing” has been calculated using the LU/ha threshold of 1 LU/ha, as some grassland systems, especially in northern Spain, tend to be more intensive than this. However, it also depends at what geographical scale the threshold is applied: e.g. at the farm level, the district level, provincial level etc. Regional RDPs may have used a different method from the national RDP.

8.3. Implications for pastures

This is a very general indicator, and provides very limited information. The EU definition of the indicator is not appropriate for Spain. In most of the country (except Atlantic regions), 1 LU/ha does not indicate an extensive livestock system. A threshold of 0.5 LU/ha would be more appropriate.

9. Conclusions

The overall picture of CAP implementation in Spain is very negative for permanent pastures and the maintenance of extensive grazing systems. Key points include:

- Maintenance as far as possible of historic distribution of payments according to land uses, which massively favours certain crop systems, especially irrigated. Convergence is kept to the minimum. As a result, the hectare payments on permanent pastures in Spain will generally be far lower than in most other MS.
- Coupled payments for livestock are implemented at a considerably lower rate of payment than in many other MS. There is no targeting of outdoor systems, grazing systems or extensive systems.
- A large number of parcels previously designated on LPIS as permanent pasture with trees and/or shrubs have been reclassified by the authorities as forest, using aerial photography and without taking account of the actual land use, making these parcels ineligible for direct payments.
- The system of Reduction Coefficients (RC) used for calculating the eligible area of parcels with trees and/or shrubs is based on remote-sensing that is unable to distinguish grazable from non-grazable vegetation in many situations. Certain types of pasture are being heavily penalised, even when in fully active grazing use. On the other hand, abandoned grass pastures may be fully eligible, if they are cut every one or two years.
- Farmers who question the automatic RC face the possibility of fines if their objection is not upheld.

- The mechanisms for controlling the extent of permanent pasture and for protecting ESPG are practically irrelevant in Spanish conditions, where the main threat to these pastures is abandonment.
- Pillar 2 measures are generally inadequate. The RDPs put a lot of emphasis on the LFA/ANC scheme as very positive for preventing abandonment and maintaining biodiversity, but the available evidence is that the scheme is largely ineffective in this regard. Measures such as agri-environment-climate and Natura 2000 payments are not widely implemented for supporting extensive grazing systems. Some regions with very large and diverse areas of such systems had no significant Pillar 2 measures targeting these systems in 2007-13.
- Article 17 reporting shows that a large 24 out of 33 Annex 1 grassland habitats in Spain are in unfavourable condition (2013). This data seems not to have been taken into account in the design of RDPs.
- Habitat monitoring systems are generally inadequate, but there are plans to establish improved systems nationally and in several regions. These will not generate new data for several years.
- The indicator for “extensive grazing” with its threshold of <1 LU/ha is very poorly adapted to Spanish land use conditions.