



Factsheet on 2014-2020 Rural Development Programme Castilla y León

The Rural Development Programme (RDP) for Castilla y León was formally adopted by the European Commission on 25 August 2015 and last modified in February 2017 outlining Castilla y León's priorities for using more than € 1.822 billion of public money that is available for the 7-year period 2014-2020 (€969 million from the EU budget, and € 662 million of national co-funding plus top-ups worth € 191 million).

The RDP for Castilla y León focuses strongly on two priorities. Firstly, in order to improve the competitiveness of the farm sector, almost 5 000 farms will receive support to restructure and modernise and 3 600 young farmers will receive support to launch their businesses. To raise skill levels, the programme will support training for around 8 500 participants and -16 250 people or businesses will receive personalised advice. 32% of the total public expenditure is budgeted for these goals. Secondly, 27% of the total spending will be targeted towards the priority restoring, preserving and enhancing ecosystems related to agriculture and forestry, with 23 % of farmland (and almost 1% of forests) to come under management contracts to improve biodiversity. Some 3 700 participants will receive training related to environmental care.

Support for Rural Development is the 2nd Pillar of the Common Agricultural Policy, providing Member States with an envelope of EU funding to manage nationally or regionally under multi-annual, co-funded programmes. In total, 118 programmes are foreseen in all 28 Member States. The new RD Regulation for the period 2014-2020 addresses six economic, environmental and social priorities, and programmes contain clear targets setting out what is to be achieved. Moreover, in order to coordinate actions better and maximise synergies with the other European Structural & Investment Funds (ESIF), a Partnership Agreement has been agreed with each Member State highlighting its broad strategy for EU-funded structural investment.

This document provides a brief overview of how the challenges and opportunities Castilla y León is facing are addressed by the RDP. In the annex, a table indicates the priorities and focus areas, each with their specific targets and their allocated budgets.

1. SITUATION AND KEY CHALLENGES

In Spain rural development is implemented through 18 separate RDPs – one at national level and 17 regional RDPs. However, common elements to the programmes are presented in a national framework. In addition, the National Rural Network provides the funding for the networking of rural development actors in Spain.

The region of Castilla y León is located in the North Centre of Spain. It covers an area of 92 226 km² of which 96 % is rural. It is the largest region of Spain - suffering from its peripheral situation, the size of its territory, low population density, the long distances between towns and the difficult access to the mountainous areas.

Castilla y León is a plateau with 98% of its area at an altitude of 600m, and 32% of it above 1000m. The climate is characterised by sharp contrasts - with long and cold winters, dry and hot summers and a general water deficit. The climate makes possible outstanding biodiversity in the region, but has a negative impact on agricultural production.

With a very low population density of 17 inhab/km² in its rural areas - 25% being elderly people, while only 12% are aged below 24 - Castilla y León is suffering from the exodus of its youth. The region is home to nearly 2.5 million people, 25% of them living in rural areas. The unemployment rate is 22% (2013) and, among young people, almost 50%. However, these young people have a high level of education - a strength of the region which should be used.

Agriculture is of foremost importance to Castilla y León's economy, providing jobs to 7.3% of the labor force. It is characterised by two major sub-sectors: arable crops and livestock which between them account for 94% of total agricultural production (46% for arable crops, 47% for livestock). Castilla y León is home to 98 300 farms - with an average size of 55 ha. However, holdings are characterised by inefficient/old equipment which performs poorly in economic and environmental terms. In particular, irrigation systems are often too inefficient to cope adequately with the tension between water needs and scarcity.

Agriculture plays a key role in maintaining the environment and landscapes as well as in the strategic agri-food sector - which aims to be competitive and export-oriented. Indeed, the food industry occupies an important place in the region's economy, employing 27% of the labour force and accounting for 4.3% of GDP. It is a growing sector in Castilla y León, among the most dynamic.

Forests - which cover a large proportion of the region - are underutilised and are also seen as having a strong potential to create wealth and jobs, especially if recent innovations are put to use in the sector. In order to help economic development and improve links between producers and processors (especially in mountainous areas), roads and path networks need to be created or rationalised.

The main challenges facing the region are the low intake of young farmers into the primary sector and the need to retain young people in rural areas by offering innovative and dynamic jobs opportunities, as well as by offering the indispensable training/advisory framework needed. Women are considered a key asset to help retain population and both the agriculture and food industries seem relevant triggers to promote their economic and social development. Innovation and knowledge transfer in the food sector should be promoted.

Other challenges exist in the risk of abandonment of farmland. In environmental terms, the region faces problems of vulnerability to climate change (risk of flood, drought, and fire) and water scarcity. Sustainable economic development goes together with a sustainable policy as far as adaptation to climate change and protection of natural resources is concerned.

2. HOW CASTILLA Y LEÓN'S RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, Castilla y León's RDP will fund action under all Rural Development priorities - with a particular emphasis on competitiveness of agri-sector and sustainable forestry, as well as restoring, preserving and enhancing ecosystems related to agriculture and forestry. With a cross-cutting focus on innovation that informs the principles set for selecting projects for support under numerous measures, the programme should be able to address the region's goals. The focus of each priority is explained briefly below.

Knowledge transfer and innovation in agriculture, forestry and rural areas

This cross-cutting priority will be addressed mainly through measures supporting training: 12 278 participants will be trained. 78 innovative projects will be financed through the "cooperation" measure.

Competitiveness of agri sector and sustainable forestry

Farm investments supported under this priority will aim at modernising and restructuring around 5.1% of all farms (almost 5 000 farmers) in the region, while 3.7% of farms will receive support for young farmers (3 600) to launch their businesses. Advisory services will be promoted - with 12 500 participants in all sectors using them. Indeed, it will be compulsory to use advisory services in order to access support under certain other measures, to make these more effective.

Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

Under this priority, 7.8% of farms (7 640 farms) will receive support to invest in processing and marketing of agricultural products. Cooperation among food-chain actors and innovation bodies will be encouraged, as well as producer groups - to lead the professionalization of the sectors.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Most funds under this priority will be used for agri-environment-climate operations and for organic farming. A large part will be channelled towards investments aiming at improving the viability of the forests on nearly 36 060 hectares. Nearly 23% of agricultural land will be under contracts for biodiversity, water management and soil management. For organic farming, support will be given to convert 20 000 hectares to organic farming and to maintain it on 15 000 hectares.

Resource efficiency and climate

This priority will mainly address investments related to water efficiency so that 9.8% of the region's irrigated area will switch to more efficient irrigation systems. Support for forest sustainability and the fight against natural disasters will help restore and maintain regional carbon conservation capacity.

Social inclusion and local development in rural areas

Under this priority, the region will support LEADER Local Action Groups and their Local Development Strategies. These strategies will unlock small investments related to diversification into non-agricultural activities in rural areas. The focus will be on fostering local development, improving the living conditions of the rural population and on creating 1 000 new jobs as well as new business opportunities. The Local Development Strategies will cover more than 40% of the rural population in Castilla y León.

The four *biggest RDP measures* in budgetary terms (total public funding) are:

- € 816 million allocated to Measure 4: Investments in physical assets
- € 219 million allocated to Measure 10: Agri-environment-climate
- € 197 million allocated to Measure 8: Investment in forest area development and improvement of the viability of forests.
- € 175 million allocated to Measure 13: Payments to area facing natural or specific constraints

Annex 1: Indicative public support for the Rural Development Programme in Castilla y León

Target	Measure	€ Total public	%
Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas¹			
1A: Fostering innovation, cooperation, knowledge base 1.73 % of RDP expenditure	01 knowledge		
	16 cooperation		
1B: Strengthening links (with research etc.) 78 cooperation projects	16 cooperation		
1C: Training 12 178 participants trained	01 knowledge		
Priority 2: Farm viability, competitiveness and sustainable forest management		590 157 794	32.38
2A: Economic performance, restructuring & modernisation 5.08 % of holdings with RDP support	01 knowledge	1 250 000	0.07
	02 advisory services	14 000 000	0.77
	04 investments	446 984 694	24.52
2B: Generational renewal 3.66 % of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	2 523 100	0.14
	06 farm / business development	125 400 000	6.88
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		214 600 380	11.77
3A: Improving competitiveness of primary producers 7.78 % of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations 0.97% of farms supported for risk management	01 knowledge	300 380	0.02
	03 quality schemes	1 500 000	0.08
	04 investments	179 000 000	9.82
	09 producer groups	5 300 000	0.29
	16 cooperation	12 500 000	0.69
	05 restoring agriculture potential	2 000 000	0.11
	17 risk management	14 000 000	0.77

¹ No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas.

Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry²		498 283 520	27.34
4A Biodiversity 0.98% of forest/other wooded area under contracts 22.56 % of agricultural land under contracts	01 knowledge	926 520	0.05
	07 basic services	5 880 000	0.32
4B Water management 22.56 % of agricultural land under contracts	08 forests	68 477 000	3.76
	10 AEC	218 500 000	11.99
	11 organic farming	29 500 000	1.62
4C Soil erosion and management 22.56% of agricultural land under contracts 0.98% of forest land under contracts	13 ANC	175 000 000	9.60
Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors		310 931 521	17.06
5A Water efficiency 9.75 % of irrigated land switching to more efficient irrigation systems	04 investments	189 635 521	10.40
5E Carbon conservation/sequestration 0.17% of agricultural and forest land under management contracts contributing to carbon sequestration or conservation	08 forests	121 296 000	6.65
Priority 6: Social inclusion, poverty reduction and economic development in rural areas		151 879 000	8.33
6A Diversification SMEs and job creation 100 jobs created (via M08)	08 forests	6 879 000	0.38
6B Fostering local development 40.36 % rural population under local development strategies	07 Basic services	15 000 000	0.82
0.60% rural population with improved services/infrastructures 1000 jobs created (via LEADER)	19 LEADER and CLLD	130 000 000	7.13
Technical Assistance		11 508 162	0.63
Discontinued measures		45 500 000	2.50
Total public expenditure €		1 822 860 377	100

² Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas