



## Factsheet on 2014-2020 Rural Development Programme for Extremadura

The Rural Development Programme (RDP) for Extremadura was formally adopted by the European Commission on 18 November 2015, outlining Extremadura's priorities for using the € 1 188 million of public money that is available for the 7-year period 2014-2020 (approximately € 890.9 million from the EU budget and € 296.9 million of national co-funding).

The main objective of the RDP is to enhance the viability of farming and forestry and the region will therefore give investment support to modernise and restructure 31.5% of the farms in Extremadura. In addition, 1 960 young farmers will receive start up aid to launch their businesses. Some 9% of farms will receive funding to participate in quality schemes, local markets and short supply chain distribution. Almost 7 000 places will be made available in training courses and 68 cooperation projects will receive support. The RDP will also promote conservation and the protection of the environment, including more efficient use of resources and contribution to climate change mitigation and adaptation. Almost 16% of irrigated farmland will receive support to improve water efficiency; 4.7% of the agricultural land will be under management contract to prevent soil erosion and desertification and 20.8% to protect biodiversity. Local Action Groups under LEADER will develop local initiatives affecting nearly 70% of the rural population and creating 1 120 new jobs. Moreover, 70% of the population in rural areas will benefit from improved basic services and infrastructures.

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 Extremadura 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 RDP of Extremadura is the 4<sup>th</sup> largest Spanish programme in terms of budget, which represents 10.7% of total EAFRD for Spain.

The region of Extremadura is located in the South West of Spain. It is one of the biggest regions of Spain (41 635 km<sup>2</sup>, 8.2 % of the Spanish total area) and at the same time one of the least populated (1 083 065 inhabitants).

Extremadura is the only region of Spain which is categorised as "less developed". 1/3 of its population is unemployed and classified as poor. Among young people (15-24 years old) the unemployment rate reaches 60% (2011 and 2012 figures).

Of the total area, 47.7% of the territory is considered as rural, farmland covers 55.4 %, grassland 15.7% and forest land 7.4 %. Agriculture is of foremost importance, the primary sector in Extremadura contributes almost 6% to gross added value and 9% to regional employment. Main vegetables products are cereals, vegetables, fruits, grapes, olive and tobacco. The production of tobacco of Extremadura represents almost 95% of the production in Spain (2014 figures) which is among the 5 main producers of tobacco in the EU. Concerning livestock farming, 90% of regional production is extensive and located in the agro-forestry system "dehesas", which occupy 25% of the total territory of Extremadura. There are 65 230 agricultural holdings in Extremadura, with an average size of 39.6 hectares (above Spanish average). 81% of the UAA is under ANC.

Farming in Extremadura is affected by shortcomings, including structural problems in and outside holdings. Consequently, one of the key challenges for this programming period will be to improve the competitiveness of farms, proposed to implement new irrigation and modernisation of existing ones, improving paths, whilst supporting environmentally sustainable agricultural systems and landscapes.

## **2. HOW EXTREMADURA RDP WILL ADDRESS THESE CHALLENGES**

In addressing these challenges, Extremadura's RDP will fund action under all six Rural Development priorities – with a particular emphasis on "Promoting the competitiveness of the agricultural and agro-industry sector" and "Restoring, preserving and enhancing ecosystems related to agriculture and forestry." The focus of main priorities is explained briefly below.

### Knowledge transfer and innovation in agriculture, forestry and rural areas

During the programming period Extremadura will support the development of innovative solutions through 18 European Innovation Partnership (EIP-AGRI) operational groups and it will create 7 000 places in training courses targeted the farm sector.

### Competitiveness of agri sector and sustainable forestry

Farm investments supported under this priority will aim at modernising and restructuring around 31.5% of all farms in the region, while 3% of farms will receive support for young farmers to launch their businesses.

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

The region will support the participation in quality schemes, local markets and short supply chain circuits for 6 000 farms, as well as the creation of 20 producer groups or organisations.

### Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Most funds under this priority will be used for agro-environmental operations, including organic farming (7 736 200 ha), as well as support for environment/climate-friendly

forest investments. 20.8% of the agricultural land will be under contract for biodiversity, 16.34% for water management and 4.7% for soil management. 265 operations will be implemented to improve the resilience and environmental value of forest ecosystems.

#### Resource efficiency and climate

This priority will mainly address investments related to water efficiency so that 15.5% of the region's irrigated area will switch to more efficient irrigation systems. 0.15 % of agricultural and forest land will come under management contracts related to carbon sequestration or conservation.

#### Social inclusion and local development in rural areas

Under this priority, the region will support actions to improve basic services and village renewal operations as well as LEADER Local Action Groups and their Local Development Strategies. These strategies will address small investments related to the diversification of non-agricultural activities in rural areas and the reinforcement of basic services and small-scale collective infrastructure. The focus will be on improving the living conditions of the rural population, on creating 1 120 new jobs as well as new business opportunities. The Local Development Strategies will cover 70.3% of the population in Extremadura, which will benefit from improved basic services and infrastructures.

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

- € 387.1 million allocated to Measure 4 – Investment in physical assets
- € 170.8 million allocated to Measure 10 – Agri-environment-climate
- € 144 million allocated to Measure 8 - Investment in forest area development and improvement of the viability of forests.
- € 111 million allocated to Measure 19 - LEADER

## Annex 1: Indicative public support for the Rural Development Programme in Extremadura

| Target  | Measure                          | € Total public     | %            |
|---|----------------------------------|--------------------|--------------|
| <b>Priority 1: Knowledge transfer and innovation in agriculture, forestry and rural areas<sup>1</sup></b>   |                                  |                    |              |
| 1A: Fostering innovation, cooperation, knowledge base<br>2.42 % of RDP expenditure  | 01 knowledge                     |                    |              |
|   | 02 advisory                      |                    |              |
|   | 16 cooperation                   |                    |              |
| 1B: Strengthening links (with research etc.)<br>68 cooperation projects   | 16 cooperation                   |                    |              |
| 1C: Training<br>7 000 participants trained  | 01 knowledge                     |                    |              |
| <b>Priority 2: Farm viability, competitiveness and sustainable forest management</b>  |                                  | <b>305 109 417</b> | <b>25.68</b> |
| 2A: Economic performance, restructuring & modernisation<br>31.52 % of holdings with RDP support   | 01 knowledge                     | 447 292            | 0.04         |
|   | 02 advisory                      | 16 964 177         | 1.43         |
|   | 04 investments                   | 211 731 411        | 17.82        |
|   | 16 cooperation                   | 6 000 000          | 0.51         |
| 2B: Generational renewal<br>3% of holdings with RDP supported business development plan/investments for young farmers   | 01 knowledge                     | 417 475            | 0.04         |
|   | 06 farm and business development | 69 549 062         | 5.85         |
| <b>Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management</b>   |                                  | <b>120 441 159</b> | <b>10.14</b> |
| 3A: Improving competitiveness of primary producers<br>9.2 % of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations<br>800 supported holdings for processing and marketing of agricultural products | 03 quality schemes               | 3 436 865          | 0.29         |
|   | 04 investments                   | 101 800 067        | 8.57         |
|   | 09 producer groups               | 13 756 933         | 1.16         |
|   | 16 cooperation                   | 1 000 000          | 0.08         |
| 3B: Risk management<br>70 number of training actions on risk management   | 01 knowledge                     | 447 294            | 0.04         |

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

|   |                                  |                    |              |
|---|----------------------------------|--------------------|--------------|
| <b>Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry<sup>2</sup></b>                               |                                  | <b>526 405 801</b> | <b>44.31</b> |
| 4A Biodiversity   | 04 investments                   | 35 590 276         | 3.00         |
| 18.51% of forest/other wooded area under contracts  |                                  | 34 619 537         | 2.91         |
| 20.82% of agricultural land under contracts   | 07 basic services                | 144 038 978        | 12.13        |
| 4B Water management   | 08 forest                        | 169 409 136        | 14.26        |
| 16.34% of agricultural land under contracts   | 10 AEC                           | 59 526 251         | 5.01         |
| 4C Soil erosion and management  | 11 organic farming               | 80 000 000         | 6.73         |
| 4.72% of agricultural land under contracts  | 13 ANC                           | 3 221 623          | 0.27         |
| 2.20% of forestry land under contracts  | 15 forest - environment          |                    |              |
| <b>Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors</b> |                                  | <b>52 442 598</b>  | <b>4.41</b>  |
| 5A Water efficiency   | 01 knowledge                     | 298 196            | 0.03         |
| 15.56% of irrigated land switching to more efficient irrigation systems   | 04 investments                   | 38 000 000         | 3.20         |
| 5B Energy efficiency  | 01 knowledge                     | 149 099            | 0.01         |
| 24 number of training actions on energy efficiency  |                                  |                    |              |
| 5C Renewable energy   | 01 knowledge                     | 149 099            | 0.01         |
| 19 048 664 € on investments for renewable energy  | 06 farm and business development | 12 143 443         | 1.02         |
| 5D Reducing GHG and NH3   | 01 knowledge                     | 149 099            | 0.01         |
| 24 number of training actions on reducing GHG and NH3   |                                  |                    |              |
| 5E Carbon conservation and sequestration  | 01 knowledge                     | 178 917            | 0.02         |
| 0.15% of agricultural and forest land under management contracts contributing to carbon sequestration or conservation                   | 10 AEC                           | 1 374 745          | 0.12         |
| <b>Priority 6: Social inclusion, poverty reduction and economic development in rural areas</b>  |                                  | <b>143 142 591</b> | <b>12.05</b> |
| 6A Diversification, SMEs and job creation   | 01 knowledge                     | 298 196            | 0.03         |
| 200 number of jobs created  | 16 cooperation                   | 1 800 000          | 0.15         |
| 6B Fostering local development  | 07 basic services                | 29 597 100         | 2.49         |
| 70.27 % rural population under local development strategies   |                                  |                    |              |

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

|   |              |                      |               |
|---|--------------|----------------------|---------------|
| 70.27 % rural population with improved services/infrastructure<br>1 120 jobs created (via LEADER) | 19 LEADER    | 111 000 000          | 9.34          |
| 6C ICT<br>70 number of training actions on new technologies                                       | 01 knowledge | 447 295              | 0.04          |
| <b>Technical Assistance</b>   |              | 32 868 685           | 2.77          |
| <b>Discontinued measures</b>  |              | 7 500 000            | 0.63          |
| <b>Total public expenditure €</b>   |              | <b>1 187 910 253</b> | <b>100.00</b> |