



Factsheet on 2014-2020 Rural Development Programme Galicia

The Rural Development Programme (RDP) for Galicia was formally adopted by the European Commission on 18 November 2015, outlining Galician's priorities for using nearly € 1 186,4 million of public money that is available for the 7-year period 2014-2020 (€889.8 million from the EU budget, and € 296.6 million of national co-funding).

Restoring, preserving and enhancing ecosystems related to agriculture and forestry is considered a main priority, with 10.9 % of agricultural land under management contracts to improve soil management and/or prevent soil erosion. In order to improve the competitiveness of the farm sector, almost 4 000 farmers will get support to restructure and modernise their farms and 2 200 young farmers will get support to launch their businesses. Some 8 600 farms will receive funding to participate in quality schemes, local markets and short supply chain distribution. The region will support training for almost 50 000 participants and 815 cooperation projects will receive support. Nearly 56 % of the rural population will be covered by a LEADER local development strategy and these strategies are expected to create around 600 new jobs.

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 Galicia 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 Galicia is located in the North West of Spain. It covers an area of 29 574 km² of which 97.8% is rural. The region is home to 2.7 million people with a depopulation and progressive aging of the population in rural areas. The unemployment rate is 20.7%, among young people more than 45 %.

Of the total area, farmland covers less than one third and forestry more than two thirds. The percentage of forest area in private hands is almost 98% and only 10% has a management plan. 10% of Spanish forests are in Galicia.

The Galician forage area supposes the 28.1% of the total existing in Spain, which demonstrates the importance of the livestock sector in this community. The livestock sector is mainly cattle with a particular focus on dairy production. In 2010, the Galician milk production represented 38 % of dairy production in Spain. The average farm size is 8.2 ha and more than 63% of farms are less than 5 ha while only 10% exceed 20 ha.

The food industry is characterized by the small size of the companies and a priority dedication to primary processing products and low value added that usually affects their competitiveness. The Galician food industry is one of the lowest ranking in Spain in terms of productivity; it has the second lowest gross operating margin and has the lowest value-added sales.

The main challenges of the region are to promote competitiveness of the Galician agriculture through the modernisation of agriculture and forestry, the installation of young farmers in market-oriented farms with capacity for economic diversification and land management. The region also needs to further improve productivity in the food industry as well as forestry by promoting the production of high added value.

In addition there is a need to preserve and enhance the natural heritage of Galicia, promoting the sustainable management of natural resources and combating climate change.

Looking at the wider rural economy, there is a need to improve the quality of life of the rural population by encouraging the provision of basic services to help keep people in rural areas, creating jobs and reducing the risk of poverty.

2. HOW THE GALICIA 'S RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, Galicia's RDP will fund actions under all Rural Development priorities – with a particular emphasis on sustainable management of forests as well as restoring, preserving and enhancing ecosystems related to agriculture and forestry, as well as enhancing farm viability and competitiveness of all types of agriculture and promoting innovative farm technologies. 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: more than 49 500 participants will be trained. There will also be support for 815 cooperation projects.

Competitiveness of agri sector and sustainable forestry

Farm investments supported under this priority will aim at modernising and restructuring around 4.9% of all farms (4 000 farmers) in the region, while 2.7 % of farms (2 200 farmers) 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

Under this priority, 10.6% of farms (8 632 farmers) will receive support for participating in quality schemes, local markets and short supply circuits, and producer groups /organisations.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Most funds under this priority will be used for agri-environmental operations, as well as support for environment/climate-friendly forest investments 3.01% of the agricultural land will be under contracts for biodiversity, 10.87% for water management and soil management.

Resource efficiency and climate

This priority will mainly address investments related to small scale infrastructure including in renewable energy and energy saving with 2 307 operations supported. Almost 14 500 ha of farmland and forest land will be under contracts contributing to fostering carbon conservation and sequestration in agriculture and forestry.

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 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 creating 592 new jobs as well as new business opportunities. The Local Development Strategies will cover nearly 55.5% of the rural population in Galicia.

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

- € 335 million allocated to Measure 4: Investments in physical assets
- € 305 million allocated to Measure 8: Investment in forest area development and improvement of the viability of forests.
- € 116 million allocated to Measure 13: ANC
- € 107 million allocated to Measure 6: Farm and business development (business start-up aid for young farmers)

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

Target	Measure	€ Total public	%
Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas¹			
1A: Fostering innovation, cooperation, knowledge base 5.02 % of RDP expenditure	01 knowledge		
1B: Strengthening links (with research etc.) 815 cooperation projects	02 advisory services		
1C: Training 49 500 participants trained	16 cooperation		
Priority 2: Farm viability, competitiveness and sustainable forest management		315 673 000	26.81
2A: Economic performance, restructuring & modernisation 4.93 % of holdings with RDP support	01 knowledge	2 400 000	0.20
	02 advisory services	16 680 000	1.42
	04 investments	207 925 000	17.66
	06 farm / business development	14 400 000	1.22
	16 cooperation	3 240 000	0.28
2B: Generational renewal 2.71 % of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	4 228 000	0.36
	06 farm / business development	66 800 000	5.67
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		135 176 000	11.48
3A: Improving competitiveness of primary producers 10.63 % of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations 655 investment operations financed in the M04	01 knowledge	1 456 000	0.12
	03 quality schemes	15 840 000	1.35
	04 investments	94 680 000	8.04
	09 producer groups / organisations	5 360 000	0.46
	16 cooperation	17 840 000	1.52

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		404 068 000	34.32
4A Biodiversity			
3.01 % of agricultural land under contracts	01 knowledge	2 548 000	0.22
2.61 % of forest area supported that contribute to restore, conserve and enhance ecosystems related to forestry	04 investments	16 600 000	1.41
	07 basic services	5 760 000	0.49
4B Water management			
10.87 % of agricultural land under contracts	08 forest	176 280 000	14.97
2.61 % of forest area supported that contribute to restore, conserve and enhance ecosystems related to forestry	10 AEC	65 320 000	5.55
	11 organic farming	12 680 000	1.08
4C Soil erosion and management	13 ANC	116 000 000	9.85
	15 forest-environment	4 360 000	0.37
10.87 % of agricultural land under contracts	16 cooperation	4 520 000	0.38
2.61 % of forest area supported that contribute to restore, conserve and enhance ecosystems related to forestry			
Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors		102 843 000	8.74
5C			
2 307 operations supported for investments of small scale infrastructure, investments in renewable energy and energy saving	07 basic services	10 680 000	0.91
5D			
3.53 % LU concerned by investments in live-stock management in view of reducing GHG and/or ammonia emissions	04 investments	15 795 000	1.34
5E			
17 600 forest land under management to foster carbon sequestration/conservation (ha)	01 knowledge	728 000	0.06
	08 forest	75 640 000	6.42

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

Priority 6: Social inclusion, poverty reduction and economic development in rural areas		219 560 000	18.50
6A 407 Jobs created in supported projects	06 farm / business development	26 320 000	2.24
	08 forest	53 360 000	4.53
	16 cooperation	4 000 000	0.34
6B Fostering local development 55.50 % of rural population covered by local development strategies 600 jobs created (via LEADER) 51.08 % of rural population benefiting from improved services/infrastructures 592 Jobs created in supported projects (Leader)	07 basic services	31 320 000	2.66
	16 cooperation	1 920 000	0.16
	19 LEADER and CLLD	84 000 000	7.13
6C 4.31 of rural population benefiting from new or improved services/infrastructures (ICT)	07 basic services	18 640 000	1.58
Technical Assistance		8 760 000	0.7
Discontinued measures		320 000	0.0
Total public expenditure €		1 186 400 000	100