

## **Factsheet on 2014-2020 Rural Development Programme for the Region of Murcia**

The Rural Development Programme (RDP) for Murcia was formally adopted by the European Commission on 3 July 2015 and last amended on 9 October 2018, outlining Murcia's priorities for using the € 348.1 million of public money that is available for the 7-year period 2014-2020 (€ 219.3 million from the EU budget and € 128.8 million of national co-funding).

In order to improve the competitiveness of the farm sector, Murcia's RDP aims to give investment support to 460 farmers to restructure and modernise their farms and 550 young farmers will receive support to launch their businesses. The region will support training for more than 8 300 participants and will promote innovation through 27 projects under the European Innovation Partnership. Restoring, preserving and enhancing of ecosystems related to agriculture and forestry is also considered important with 36% of farmland and 33% of forestry coming under management contract to improve biodiversity. This also includes supporting the conversion or maintenance of organic farming on 77 436 hectares. More than 50% of the rural population will be covered by LEADER local development strategies, which are expected to create around 225 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 2014-2020 period 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 Murcia 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 Murcia is located in the South East of Spain. It covers an area of 11 313 km<sup>2</sup> (2.2% of the Spanish total area), of which 81% is rural. The region is home of 1.5 million people. Of the total area, farmland covers 57% and it is the Autonomous Community with the least forest area in Spain (45%). The primary sector is important in Murcia as it contributes more than 5% to gross added value. There is a significant imbalance between the more urbanised areas and the rural areas.

Two ways of farming coexist in the Region of Murcia. Intensive irrigated farming occupies 31% of the agricultural area producing 96% of the GVA, whereas extensive non-irrigated agriculture occupies 69% of the area and produces only 4% of the GVA. Agriculture plays a key role in maintaining the environment and landscapes as well as the strategic agri-food sector which is very export oriented.

The unemployment rate was 29% (2013), more than 50% among young people and above 30% in rural areas. Other challenges of the region include the low level of generational renewal in the primary sector and the need to increase the size of holdings. On the environmental side, the region faces problems of insufficient water resources and uncertainty about future water resources as well as high levels of erosion.

## **2. HOW THE MURCIA RDP WILL ADDRESS THESE CHALLENGES**

In addressing these challenges, Murcia's RDP will fund actions 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 Murcia will support the development of innovative solutions through 27 operational groups under the European Innovation Partnership (EIP) and it will create 8 323 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 1.5% of all farms in the region, while 1.7% 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 50 projects investing in agricultural holdings as well as processing and marketing of agricultural products.

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

Most funds under this priority will be used for area-based payments to farmers for using environment/climate friendly management practices, including organic farming, as well as support for environment/climate-friendly forest investments. 36% of the agricultural land will be under contract for biodiversity, 26% for water management and 26% for soil management.

### Resource efficiency and climate

This priority will mainly address investments related to water efficiency so that 9% of the region's irrigated area will switch to more efficient irrigation systems. 0.8% 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 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 225 new jobs as well as developing new business opportunities. The Local Development Strategies will cover half of the population in Murcia.

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

- € 111 million allocated to Measure 4 – Investment in physical assets
- € 65 million allocated to Measure 11 – Organic farming
- € 61 million allocated to Measure 10 – Agri-environment-climate
- € 27 million allocated to Measure 6 - Farm and business development (business start-up aid for young farmers)
- € 26 million allocated to Measure 8 - Investment in forest area development and improvement of the viability of forests.

## Annex 1: Indicative public support for the Rural Development Programme in the Region of Murcia

Target	Measure	€ Total public	%
<b>Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas<sup>1</sup></b>			
1A: Fostering innovation, cooperation, knowledge base 3.84% of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) 27 cooperation projects	16 cooperation		
1C: Training 8 323 participants trained	01 knowledge		
<b>Priority 2: Farm viability, competitiveness and sustainable forest management</b>		<b>72 488 334</b>	<b>20.82</b>
2A: Economic performance, restructuring & modernisation 1.53% of holdings with RDP support	01 knowledge	452 400	0.13
	02 advisory	365 200	0.10
	04 investments	42 237 134	12.13
	16 cooperation	568 000	0.16
2B: Generational renewal 1.68% of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	452 400	0.13
	02 advisory	365 200	0.10
	06 farm and business development	27 480 000	7.89
	16 cooperation	568 000	0.16
<b>Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management</b>		<b>48 080 890</b>	<b>13.81</b>
3A: Improving competitiveness of primary producers 0.40% of farms supported 50 supported investments for processing and marketing of agricultural products	01 knowledge	452 400	0.13
	02 advisory	365 200	0.10
	04 investments	39 200 000	11.26
	16 cooperation	568 000	0.16
3B: Risk management 1.83% of holdings supported further to damage caused by natural disasters and catastrophic events	01 knowledge	452 400	0.13
	02 advisory	365 200	0.10
	05 Restoring agricultural potential	6 109 690	1.76
	16 cooperation	568 000	0.16

<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>152 062 482</b>	<b>43.68</b>
4A Biodiversity 32.96% of forest/other wooded area under contracts 35,98 % of agricultural land under contracts	1 knowledge	904 800	0.26
	2 advisory	730 400	0.21
4B Water management 26.43% of agricultural land under contracts 32.23% of forestry land under contracts	08 forest	24 990 000	7.18
	10 AEC	59 797 452	17.18
	11 organic farming	64 503 831	18.53
4C Soil erosion and management 25.98% of agricultural land under contracts 32.23% of forestry land under contracts	16 cooperation	1 136 000	0.33
<b>Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors</b>		<b>48 351 000</b>	<b>13.89</b>
5A Water efficiency 8.97% of irrigated land switching to more efficient irrigation systems	01 knowledge	180 960	0.05
	02 advisory	146 080	0.04
	04 investments	29 220 000	8.39
	16 cooperation	227 200	0.07
5B - Energy efficiency 28.57% of investment projects introducing high efficiency equipment or in-house renewable sources of energy for self-consumption	01 knowledge	180 960	0.05
	02 advisory	146 080	0.04
	16 cooperation	227 200	0.07
5C - Renewable energy 7.27% of public expenditure aimed at cooperation which is intended to promote the use of renewable energy	01 knowledge	180 960	0.05
	02 advisory	146 080	0.04
	16 cooperation	427 200	0.12
5D - Reducing GHG and NH3 0.35% of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions	01 knowledge	180 960	0.05
	02 advisory	146 080	0.04
	10 AEC	1 373 000	0.39
	16 cooperation	227 200	0.07
5E Carbon conservation and sequestration 0.81% of agricultural and forest land under management contracts contributing to carbon sequestration or conservation	01 knowledge	180 960	0.05
	02 advisory	146 080	0.04
	08 Forests	1 360 800	0.39
	13 ANC	13 426 000	3.86
	16 cooperation	227 200	0.07

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

<b>Priority 6: Social inclusion, poverty reduction and economic development in rural areas</b>		<b>21 665 200</b>	<b>6.22</b>
6A - Diversification, SMEs and job creation 15 jobs created in supported projects	01 knowledge	452 400	0.13
	02 advisory	365 200	0.10
	16 cooperation	568 000	0.16
6B Fostering local development 50.17 % rural population under local development strategies 225 jobs created (via LEADER)	01 knowledge	452 400	0.13
	02 advisory	365 200	0.10
	16 cooperation	568 000	0.16
	19 LEADER	18 884 000	5.42
<b>Technical Assistance</b>		5 464 855	1.57
<b>Total public expenditure €</b>		<b>348 102 761.9</b>	<b>100.00</b>