



## **Factsheet on 2014-2020 Rural Development Programme for La Rioja**

The Rural Development Programme (RDP) for La Rioja was formally adopted by the European Commission on 26 May 2015, outlining La Rioja's priorities for using the € 201.6 million of public money that is available for the 7-year period 2014-2020 (nearly € 70 million from the EU budget and € 70 million of national co-funding plus € 61.6 million of additional national funding top-ups).

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 around 18% of the farms in La Rioja. In addition, 4% of farms will receive start up aid for young farmers to launch their businesses. Almost 13 000 places will be made available in training courses and 30 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 reduction. 28% of irrigated farmland will receive support to improve water efficiency, 38% of the agricultural land will be under management contract to prevent soil erosion and desertification and 36% to protect biodiversity. Local Action Groups under LEADER will develop local initiatives affecting nearly 86% of the rural population and creating 50 new jobs. 42% 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 La Rioja 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.

La Rioja covers an area of 5 045 km<sup>2</sup>, of which agricultural land covers 41.7 % and forest land 28.7 %. The primary sector is important in La Rioja as it contributes almost 5% to gross added value and 7% to regional employment. Main farming types in terms

of final agrarian production are vegetables, especially champignon mushroom (34.4%), fruits (31.1%) and vine (17.8%).

La Rioja is the least populated region in peninsular Spain (318 647 inhabitants in 2014) and the second smallest in terms of geographical size. It suffers from an ageing population above the national and EU average, as well as from depopulation of less dense settlements. More than three quarters of the municipalities count less than 500 inhabitants. Unemployment rate is 20%, but almost half of the young people between 15-24 years are unemployed (2013 figures).

Farming in La Rioja is affected by shortcomings, including their limited physical size (50% of farms have less than 5 ha; average farm size is 22.5ha), which makes it difficult for farmers to sell their products. However, agricultural activity is essential to avoid land abandonment. Consequently, one of the key challenges for this programming period will be to improve the competitiveness of farms whilst supporting environmentally sustainable agricultural systems and landscapes.

## **2. HOW LA RIOJA RDP WILL ADDRESS THESE CHALLENGES**

In addressing these challenges, La Rioja'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 La Rioja will support the development of innovative solutions through 10 European Innovation Partnership (EIP) operational groups and it will create 12 700 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 18% of all farms in the region, while 4% 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 100 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 agro-environmental operations, as well as support for environment/climate-friendly forest investments. 36% of the agricultural land will be under contract for biodiversity, 5% for water management and 38% for soil management.

### Resource efficiency and climate

This priority will mainly address investments related to water efficiency so that 28% of the region's irrigated area will switch to more efficient irrigation systems. 1.3 % 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 50 new jobs as well as new business opportunities. The Local Development Strategies will cover 86% of the population in La Rioja, and 42% of the population in rural areas will benefit from improved basic services and infrastructures.

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

- € 51 million allocated to Measure 4 – Investment in physical assets
- € 27 million allocated to Measure 8 - Investment in forest area development and improvement of the viability of forests.
- € 15 million allocated to Measure 10 – Agri-environment-climate
- € 13 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 La Rioja

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 8.41% of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) 30 cooperation projects	16 cooperation		
1C: Training 12 700 participants trained	01 knowledge		
<b>Priority 2: Farm viability, competitiveness and sustainable forest management</b>		<b>75 220 000</b>	<b>37.32</b>
2A: Economic performance, restructuring & modernisation 17.6% of holdings with RDP support	01 knowledge	670 000	0.33
	02 advisory	6 000 000	2.98
	04 investments	45 450 000	22.54
	16 cooperation	3 000 000	1.49
2B: Generational renewal 4.3% of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	1 600 000	0.79
	06 farm and business development	18 500 000	9.18
<b>Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management</b>		<b>8 770 000</b>	<b>4.35</b>
3A: Improving competitiveness of primary producers <b>0.10</b> % of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations 100 operations expected for investments in agricultural holdings for processing and marketing of agricultural products	01 knowledge	670 000	0.33
	04 investments	7 500 000	3.72
	09 producer groups	600 000	0.30

<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>69 105 000</b>	<b>34.28</b>
4A Biodiversity	01 knowledge	670 000	0.33
3.22% of forest/other wooded area under contracts	04 investments	2 000 000	0.99
36.53% of agricultural land under contracts	07 basic services	425 000	0.21
4B Water management	08 forest	33 700 000	16.72
4.43% of agricultural land under contracts	10 AEC	21 500 000	10.66
3.22% of forestry land under contracts	11 organic farming	3 450 000	1.71
4C Soil erosion and management	13 ANC	5 860 000	2.91
37.79% of agricultural land under contracts	16 cooperation	1 500 000	0.74
3.22% of forestry land under contracts			
<b>Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors</b>		<b>26 840 000</b>	<b>13.31</b>
5A Water efficiency	01 knowledge	670 000	0.33
28% of irrigated land switching to more efficient irrigation systems	04 investments	18 000 000	8.93
	16 cooperation	1 500 000	0.74
5E Carbon conservation and sequestration	01 knowledge	670 000	0.33
1.29% of agricultural and forest land under management contracts contributing to carbon sequestration or conservation	08 Forests	6 000 000	2.98
<b>Priority 6: Social inclusion, poverty reduction and economic development in rural areas</b>		<b>21 605 000</b>	<b>10.72</b>
6B Fostering local development	07 basic services	8 075 000	4.01
<u>86.17 %</u> rural population under local development strategies			
<u>41.84 %</u> rural population with improved services/infrastructure	19 LEADER	13 530 000	6.71
<u>50 jobs</u> created (via LEADER)			
<b>Technical Assistance</b>		60 000	0.03
<b>Total public expenditure €</b>		<b>201 600 000</b>	<b>100.00</b>

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