



## **factsheet on Rural Development Programme 2014-2020 of Castilla-La Mancha, Spain**

The Rural Development Programme (RDP) for Castilla-La Mancha, adopted by the European Commission on 30 October 2015, was last amended on 28 July 2023. It builds on the priorities of the Europe 2020 strategy for smart, sustainable and inclusive growth. To support this strategy, the programme will mobilise EUR 2.036 billion of public funds available for the period 2014-2022, of which EUR 1.579 billion from the EU budget, of which EUR 99 billion EURI funds and EUR 457 billion of national co-financing.

The programme will support some 4.290 farm modernisation projects and 815 food processing and marketing projects. It will also focus on setting up 3.200 young farmers in order to ensure generational renewal. Castile-La Mancha will continue its efforts to convert and maintain farms to organic farming, allocating EUR 291 million for 443.000 hectares to this heading; the aim will also be to structure this currently fragmented sector. The natural forest heritage will mobilise around 30 % of the budget, in particular for forest fire prevention and strengthening operations. Finally, EUR 156 million will be allocated to be used through the bottom-up approach of LEADER, which aims to cover the whole countryside and will affect 62 % of the population; 1.000 new jobs are expected to be created.

Rural development, which is the second pillar of the common agricultural policy, provides Member States with a European financial envelope to manage co-financed programmes, at national or regional level, as part of multiannual programming. In total, 114 programmes are planned in the 27 Member States and 4 in the United Kingdom. The new rural development regulation for the period 2014-2022 identifies six socio-economic and environmental priorities, among which the programmes set out their strategic objectives, the measures implemented to achieve them and the expected results. In addition, in order to better coordinate actions and maximise synergies between the different European Structural and Investment Funds (ESIF), a Partnership Agreement has been concluded with each Member State in order to develop the strategy for EU-funded investments.

### **1. SITUATION AND CHALLENGES**

In Spain, 18 RDPs (one national programme and 17 regional programmes) support the implementation of the European Union's rural development policy. The elements common to the programmes are presented in a national framework. In addition, the National Rural Network provides funds for the networking of rural development actors in Spain.

The programme covers the entire territory of Castilla-La Mancha, with an area of 79 462 km<sup>2</sup> and a population of approximately 2.1 million (in 2013). With a population

density of 27 inhabitants per km<sup>2</sup>, well below the Spanish average of 92 inhabitants per km<sup>2</sup>, Castile-La Mancha retains a marked rural character: 90 % of the population live in rural or intermediate areas; of its 919 municipalities, 843 have less than 5 000 inhabitants. The region has seen a slight demographic decline since 2013 due to the emigration of young people.

The gross value added of the regional economy is distributed between the tertiary sector (60 %), the secondary sector (33.3 %) and the primary sector (6.6 %). The employment rate for men is 57 % and the employment rate for women is 43 %. Chronic underemployment, which mainly affects women and young people, is increasing and the official unemployment rate reaches 30 %. (double for young people).

120 000 farms, with an average size of 33 ha, share just over 4 million hectares of utilised agricultural land, half of the regional territory, and mobilise more than 300 000 jobs. Only 8 % of farmers are under the age of 40; generational renewal poses a serious difficulty for the sector. The debt ratio of holdings amounts to 69 % of annual income. As regards production, Castile-La Mancha is distinguished by the importance of barley, vine and olive groves. Livestock farming loses land, particularly in its traditional sheep and goat branch, which is traditionally important. In 2013, almost 6 % of the UAA became, or was in the process of being converted to, organic farming, was already almost twice as high as in 2010. This strong development is part of a strategy of enhancing quality distinctive designations and signs (cheese, garlic, saffron, etc.). Agri-food processing accounts for a quarter of industrial employment but the marketing chain remains poorly structured. The regional agri-food industry consists mainly of self-employed workers and small businesses who have made great efforts to modernise and adapt to the current market, but these efforts must continue.

45 % of the regional territory is forest, but with only 200 small forest companies that exploit timber, this is mostly a biodiversity reserve. The development of hunting tourism is an advantage in this context. Castile-La Mancha suffers on average 200 forest fires per year.

A quarter of the territory is classified under biodiversity (protected natural area or Natura 2000 network), but it would be half if only the forest is taken into account. 74 management plans cover these territories. The set is part of a Nature Conservation Plan. Castile-La Mancha is characterised in particular by the importance of its wetlands (safe area and birds) and its forestry and pastoral systems called dehesas. Populations of farmland bird species (steppe species) are constantly declining.

In Castile-La Mancha there are seven Spanish water basins (Tagus, Guadiana and Segura are the most important ones). They have 482 groundwater bodies and 72 surface water bodies. More than half of these masses are in an unsatisfactory state. The Guadiana and Segura basins are the worst classified. Overuse of fertilisers and pesticides in agriculture is the main cause. Apart from this negative finding, Castilla-La Mancha is characterised by good air quality and low greenhouse gas emissions.

Rural areas in Castile-La Mancha are significantly lagging behind in economic and social development, caused by a lack of accessibility leading to an ageing population, fewer jobs and a lower quality of life.

## 2. HOW THE RDP WILL ADDRESS THESE CHALLENGES

To respond to the challenges posed, the RDP is structured around six European priorities for rural development, the most important being **priority 4 – Restoration, preservation and improvement of ecosystems**; then, in equal parts, **priority 2 – Improving farm viability and competitiveness** and **priority 3 – Organisation of the food chain, processing and marketing**.

The objectives and targets of the main priorities are summarised below:

### Knowledge transfer and innovation

Innovation should be understood in a broad sense: introduction of new methods of production or marketing of a product, opening up new markets or new sources of supply, setting up a new organisation of the company, introducing new technologies or technologies already known or changing staff skills. It is not limited to the mere integration of technologies into production processes.

The regional agri-food industry consists mainly of self-employed workers and small businesses who have made great efforts to modernise and adapt to the current market. These efforts need to be sustained in the future. Cooperation aims to integrate and improve relations between the actors involved, be they producers, processors, public and private institutions, etc., thus facilitating the integration of research groups in order to innovate in primary production.

Training activities are aimed at farmers faced with farm costs that hinder their development capacity in a competitive context. These activities will strengthen the skills and knowledge needed to improve agricultural productivity (organisation, production methods, machinery, crops, etc.). This activity will target young farmers in particular. It will also aim to address the challenges of the conservation and management of natural resources and the enhancement of natural heritage for the diversification of activities. For example, participants in agri-environmental operations will be properly trained, as will investors in the field of irrigation.

99.000 people are expected to participate in training activities and the implementation of 130 cooperation projects.

### Viability and competitiveness of agricultural holdings

Traditionally, improving the overall performance, sustainability and competitiveness of farms requires significant support for individual investments (4.290 projects) or collective agricultural infrastructure. Particular emphasis will be placed on improving product quality, homogenisation and diversification of production in order to adapt to market requirements (classification, packaging, processing of agricultural products) and, where appropriate, quality standards under designation.

Start-up aid for 3.200 young farmers should improve the low presence of young people on farms in Castile-La Mancha and enable generational change. The effectiveness of this action will depend on the training and advice provided jointly and involving 1.557 beneficiaries.

### Promoting the organisation of the food chain, including the processing and marketing of agricultural products

Castilla-La Mancha is committed to the promotion of its regional products and to a competitive and sustainable industry. 20.000 farmers will be encouraged to join differentiated quality denomination devices in order to increase the added value of agricultural production. 1.700 sheep farmers will work to improve animal welfare.

It is also a question of remedying the fragmentation of industry, with the reunification and integration of producers into the food chain, in particular by supporting the creation of producer organisations with the creation of 15 organisations.

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

The importance of Castile-La Mancha's natural forest heritage is sufficient to explain the budgetary weight of this area in the RDP (almost 47 % of the expenditure). The main focus will be on preventing disaster risks, in particular fires, and restoring deteriorated biodiversity through reforestation operations with species adapted to biotopes. This will maintain the vegetation cover of the soils. Actions will also be taken to increase the wealth and resilience of forest ecosystems. Appropriate management of forests classified under Natura 2000 will also contribute to this effort. Finally, it is understood that a healthy forest contributes to the smooth running of the water cycle.

Good management of Natura 2000 areas also depends on stakeholder involvement. EUR 56 million of aid is available to compensate for the disadvantages of restrictions included in management plans or equivalent instruments. This will encourage farmers to ensure the conservation of birds (steppe birds in particular) and halt their decline.

The restoration and preservation of agricultural ecosystems requires a shift in cultivation practices that steer production systems towards sustainable resource management. The most striking fact is the importance gained by the areas under organic farming, which will mobilise 15 % of the budget in favour of 443.000 hectares. It is also worth recalling the role of training and advice on fertilisers and pesticides in raising farmers' awareness of the effects of agricultural activity on regional water resources. This shift towards less aggressive agriculture will undoubtedly limit the pollution of water bodies by pesticides and nitrogen fertilisers.

Other forms of agri-environmental contracts will be involved in the conservation of biodiversity. Beekeepers will be remunerated for their contribution to maintaining entomophilic flora, on 210.000 hectares, outside the usual production areas. Measures will also be taken to limit soil erosion from arable crops.

The programme shall also contribute to the maintenance of extensive livestock farming systems linked to natural pastures and shall contribute to the protection of animal breeds and plant varieties exposed to the risk of genetic erosion. The conservation of genetic resources will mobilise an additional amount of around EUR 5 million.

In one way or another, one fifth of the agricultural holdings will have signed an agri-environmental contract.

#### Resource efficiency, renewable energy and climate protection

Investment projects shall be assessed on the basis of their water and energy savings or whether they relate to the use or production of renewable energy. These projects will be given priority, possibly through a higher rate of support, in order to contribute to the implementation of the most energy efficient systems and to improve the economic

performance of regional agriculture. Special attention will be paid to livestock farming: the programme foresees to support 50 projects for the improvement of manure storage facilities and the construction of anaerobic digesters for biogas production.

Modernisation and improvement of existing irrigation systems, more than 200 projects covering 16.000 hectares, will also be promoted in order to contribute to the objectives of the Water Framework Directive management plans that aim to improve the status of water bodies.

Climate change is a serious threat to the sustainable development of regional agriculture. Actions to maintain and grow forests will protect them against events affecting this natural heritage. They will also contribute to carbon sequestration and preserve the landscape.

#### Promoting social inclusion, poverty reduction and economic development in rural areas

The development of basic services, inter alia, for leisure and culture will be encouraged. Community-led and endogenous local development will be promoted through the LEADER approach. Maintaining and rehabilitating rural heritage will improve the attractiveness and quality of life of the inhabitants and will slow down the depopulation process; the protection of natural heritage will raise public awareness of the conservation and improvement of natural resources. The enhancement of cultural, historical and natural heritage is part of a vision of promoting job-creating tourism.

Diversification of the rural economy must compensate for the seasonal nature of primary sector activity, create jobs and improve the quality of life in rural areas by encouraging diversified territorial development. The RDP will also support farm diversification projects and the creation of SMEs outside the primary sector, directly supporting project promoters. 1 000 new jobs are expected to be created in this way.

Finally, Castile-La Mancha decided to include in its rural development programme Integrated Territorial Investments (ITI) involving all the European Structural and Investment Funds (ESIF). The aim is to remedy as far as possible structural imbalances between regions, such as strong territorial dispersion, low population density, orographic difficulties, extreme rurality, high unemployment, population ageing and depopulation. There are five areas identified in relation to the severity of these handicaps that will be prioritised for RDP measures.

The most important measures in the programme are the following (in brackets the percentage of the total financial envelope of the programme):

- Measure 8 (forest): EUR 554 825 123 (27 %)
- Measure 4 (investments): EUR 510 752 174 (25 %)
- Measure 11 (organic farming): EUR 289 621 445 (14 %)
- Measure 19 (LEADER): EUR 169 395 070 (8 %)

## Annex 1: Indicative distribution of RDP resources for Castilla-La Mancha and target indicators

Priorities and objectives	Measures	Total public expenditure (EUR)	%
<b>Priority 1: knowledge transfer and innovation</b>			
<u>1 A</u> : fostering innovation, cooperation and knowledge development  1.45 % of RDP resources allocated to Measures 1, 2 and 16	01. Knowledge 02. Advice 16. Cooperation		
<u>1B</u> : strengthening the links between agriculture, food production and forestry and research and innovation <u>130 cooperation projects</u>	16. Cooperation		
<u>1 C</u> : training  99 000 participants trained	01. Knowledge		
<b>Priority 2: Farm viability, competitiveness and sustainable forest management</b>		<b>239 647 365</b>	<b>11,77</b>
<u>2 A</u> : modernisation, competitiveness and restructuring of agricultural holdings  3.50 % of farms receiving support for modernisation and development	01. Knowledge	1 491 754	0,07
	02. Advice	417 356	0,02
	04. Investments	76 381 609	3,75
	16. Cooperation	422 958	0,02
<u>2b</u> : generational renewal  2.61 % of farms managed by young farmers receiving setting-up aid	01. Knowledge	1 172 394	0,06
	02. Advice	105 785	0,01
	04. Investments	59 933 620	2,94
	06. Farm and business development	99 721 889	4,90
<b>Priority 3: Fostering food chain organisation, processing and marketing</b>		<b>263 832 695</b>	<b>12,96</b>
<u>3 A</u> : the added value of agricultural products through improved processing, marketing  33.08 % of farms supported to participate in quality schemes  25.04 % of supported food processing and marketing industries	01. Knowledge	922 371	0,05
	03. Quality system	10 471 707	0,51
	04. Investments	208 661 969	10,25
	09. Producer groups and organisations	4 661 104	0,23
	14. Animal welfare	23 400 000	1,15

	16. Cooperation	4 737 625	0,23
<u>3B: Riskmanagement</u> 0.82 % of farms participating in cooperation projects	05. Restoration of agricultural production potential	9 864 808	0.48
	16. Cooperation	1 111 111	0,05
<b>Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry</b>		<b>953 910 959</b>	<b>46,86</b>
<u>4A: Biodiversity</u> 37.45 % of agricultural areas under contracts 0.42 % of woodland under contracts  4b: water management 31.29 % of agricultural areas under contracts 0.42 % of woodland under contracts  4C: soil management 31.29 % of agricultural areas under contracts 0.42 % of woodland under contracts	01. Knowledge	1 859 299	0,09
	02. Advice	2 128 926	0,10
	04. Investments	16 088 484	0,79
	07. Basic services	3 337.373	0,16
	08. Forests	379 629 583	18,65
	10. Agro-Environmente-Climate	95 570 578	4,69
	11. Organic farming	289 651 893	14,23
	12. Natura 2000 and Water Framework Directive	56 099 008	2,76
	13. Areas with natural constraints	105 858 911	5,20
	15. Forest – environment	2 624 000	0,13
16. Cooperation	1 062 904	0,05	
<b>Priority 5: Promoting resource efficiency</b>		<b>333 996 282</b>	<b>16,41</b>
<u>5A: efficient use of water</u> 3.90 % of irrigated land moving to a more efficient irrigation system	01. Knowledge	308 197	0,02
	02. Advice	405 785	0,02
	04. Investments	45 985 538	2,26
	16. Cooperation	382 549	0,02
5b: efficient use of energy EUR 64 032 814 of total investment	01. Knowledge	214 793	0,01
	04. Investments	54 247 470	2,66
	16. Cooperation	1 474 410	0,07
<u>5C: renewable energy and resources</u> EUR 37 042 533 of total investment	04. Investments	17 591 614	0,86
	16. Cooperation	922 211	0,05

	22. Impact of Russia's invasion of Ukraine	19 266 287	0,95
<u>5D</u> : reduction of greenhouse gases and ammonia	01. Knowledge	214 793	0,01
<u>9.57 %</u> of LU affected by investments	04. Investments	29 177 406	1,43
<u>0.02 %</u> of agricultural areas under contracts	16. Cooperation	670 346	0,03
<u>5E</u> : <u>carbon conservation and sequestration</u>	08. Forests	168 743 910	8,29
<u>% of agricultural and forest land: 8.06</u>	16. Cooperation	340 656	0,02
<b>Priority 6: Economic development, social inclusion</b>		<b>218 524 765</b>	<b>10,73</b>
<u>6A</u> : job creation	01. Knowledge	1 933 264	0,09
200 jobs created	04. Investment	14 000 000	0,69
	08. Forests	7 125 488	0,35
<u>6B</u> : local development and LEADER	01. Knowledge	568 414	0,03
<u>62.07 %</u> of the rural population benefiting from local development strategies	07. Basic services	13 207 528	0,65
<u>16 %</u> of the rural population benefiting from improved services and infrastructure	19. LEADER	179 190 070	8,80
<u>800 jobs</u> created in LEADER projects			
<u>6C</u> : share of rural population benefiting from improvements in services/infrastructure	07. Basic services	2 500 000	0,12
<b>Assistance technique</b>		<b>23 637 189</b>	<b>1,16</b>
<b>Transitional measures</b>	M 133	<b>2 327 717</b>	<b>0,11</b>
<b>Total public expenditure (EUR)</b>		<b>2 035 876 974</b>	<b>100</b>