



Factsheet on the Rural Development Programme 2014-2020 Castilla – La Mancha (Spain)

The Rural Development Programme (RDP) of Castilla la Mancha, adopted by the European Commission on 30 October 2015, was last amended on 9 January 2023. This programme is based on the priorities of the Europe 2020 strategy for smart, sustainable and inclusive growth. In support of this strategy, the programme mobilises EUR 2 036 million of public funds available for the period 2014-2022, of which EUR 1 579 million from the EU budget (EUR 99 million) and EUR 457 million from national counterparts.

The programme will support modernisation projects for around 4 290 farms and 815 food processing and marketing projects. It will also aim to set up 3 200 young farmers to ensure generational renewal. Castilla – La Mancha will continue its efforts to convert and maintain farms for organic farming with EUR 296 million per 443.000 ha; it will also be necessary to structure this sector which is currently fragmented by promoting cooperation between its actors. Natural forest heritage, which covers 45 % of the territory, will mobilise almost 30 % of the budget, in particular for forest fire prevention and enhancement operations. Finally, EUR 169 million are retained for use through the LEADER bottom-up approach, which aims to cover the whole countryside and will affect 62 % of the population; 1 000 new jobs are expected.

Rural development is the second pillar of the Common Agricultural Policy, providing Member States with a European financial envelope to manage programmes co-financed at national or regional level as part of multiannual programming. A total of 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 agreed with each Member State to develop the strategy for EU-funded investments.

1. SITUATION AND CHALLENGES

In Spain, 18 RDPs (a national programme and 17 regional) are working towards the implementation of the EU's rural development policy. The common elements of the programmes shall be presented in a national framework. In addition, the National Rural Network provides funding for the networking of rural development officers in Spain.

The programme covers the entire territory of Castilla – La Mancha, with an area of 79 462 km², and a population of around 2,1 million inhabitants (in 2013). With a population density of 27 inhabitants per km², significantly below the Spanish average of 92 inhabitants per km², Castilla – La Mancha retains a marked rural character: 90 % of the population live in rural or intermediate areas; of the 919 municipalities, 843 do not have a population of 5 000. Since 2013, the region has experienced a slight demographic decline due to 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 male employment rate is 57 %, female 43 %. Chronic underemployment, mainly affecting women and young people, is increasing and the official unemployment rate is 30 % (double for young people).

120 000 farms, with an average size of 33 ha, share just over 4 million hectares of utilised agricultural area – half of the regional territory – and provide more than 300 000 jobs. Just 8 % of farmers are under the age of 40; generational recovery poses a serious challenge for the sector. The debt ratio of farms is 69 % of annual income. Castilla – La Mancha is distinguished by the importance of barley, vines and olive trees. Livestock farming is slowing down, especially in its traditionally important sheep and goat sector. Almost 6 % of the UAA is converted, or in the process of conversion, to organic farming in 2013, almost double that in 2010. This strong development is part of a strategic move towards promoting quality designations and distinctive signs (cheese, garlic, saffron, etc.). Agri-food processing accounts for a quarter of industrial jobs, but the marketing chain is still poorly structured. Indeed, the regional agri-food industry consists mainly of self-employed and small businesses who have made great efforts to modernise and adapt to the current market, but these efforts need to be continued.

45 % of the regional territory is forestry, but with only 200 small forestry companies that exploit timber, it is primarily a biodiversity reserve. The development of hunting tourism is presented as an asset in this context. Castilla – La Mancha is affected, on average, by 200 forest fires per year.

One quarter of the territory is classified as biodiversity (Protected Natural Area or Natura 2000), but if only forests were taken into account, this would be half. 74 management plans cover all these territories. The whole is part of a plan for the conservation of the natural environment. Castilla – La Mancha is characterised in particular by the importance of its wetlands (bird refuge) and its silvo-agro-pastoral systems known as *dehesa*. Populations of farm-related bird species (steppic species) are constantly declining.

Seven Spanish water basins overlap in Castilla La Mancha (Tage, Guadiana and Segura are the most important). They have 482 groundwater bodies and 72 surface water bodies. More than half of these masses report unsatisfactory status. The Guadiana and Segura basins are poorly classified. The main cause is the excessive use of fertilisers and pesticides by agriculture. In contrast to this negative finding, Castilla – La Mancha is characterised by good air quality and low greenhouse gas emissions.

The rural areas of Castilla – La Mancha are lagging behind in economic and social development due to lack of accessibility leading to an ageing population, fewer jobs and lower quality of life

2. HOW THE RDP ADDRESSES THE CHALLENGES

To respond to the challenges, the RDP is structured around 6 European priorities for rural development, the most important of which here is **priority 4 – restoration, preservation and enhancement of ecosystems; secondly, priorities 2 – improving the viability and competitiveness of farms and priority 3 – organisation of the food chain, processing and marketing – come on an equal footing.**

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

Knowledge transfer and innovation

Innovation is understood in a broad sense: introduction of new production methods or marketing of a product, opening up new markets or 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 and small businesses who have made great efforts to modernise and adapt to the current market. These efforts must be continued. Cooperation shall aim at integrating and improving relations between the actors involved, such as producers, processors, public and private institutions, etc., thereby facilitating the integration of research groups in order to innovate in primary production.

Training activities are aimed at farmers facing operating costs that hamper their development capacity in a competitive context. They will enhance the skills and knowledge needed to improve agricultural productivity (organisation, production methods, machinery, crops, etc.). This strand will target young farmers in particular. It will also address the challenges of the conservation and management of natural resources and the enhancement of natural heritage for the diversification of activities. This will ensure that participants in agri-environmental operations will be properly trained, as well as investors in irrigation.

99 000 participants in training and 130 cooperation projects are envisaged.

Viability and competitiveness of farms

Typically, the improvement of the overall performance, sustainability and competitiveness of farms requires strong support for individual investments (4 290 projects) or in agricultural infrastructure for collective use. Particular emphasis will be placed on improving product quality, homogenisation and diversification of production to adapt to market demands (classification, packaging, processing of farm products) and, where appropriate, to quality standards under the designation.

Support for setting up 3 200 young farmers should reduce the under-representation of young people on farms in Castilla-La Mancha and enable generational change. The effectiveness of this action will depend on the training and advice proposed jointly for 1 557 beneficiaries.

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

Castilla – La Mancha is committed to promoting its regional products and a competitive and sustainable industry. 20 000 farmers will be encouraged to join differentiated quality designation schemes in order to increase the added value of agricultural production. 1 700 sheep farmers will also be involved in improving animal welfare.

It also aims to address the fragmentation of the industry, with the grouping and integration of producers into the food chain, in particular by supporting the creation of 15 producer organisations.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

The importance of Castilla – La Mancha's natural forest heritage is sufficient to explain the budgetary weight of this area in the RDP (almost 30 % of the expenditure). The first step will be to prevent the risks associated with disasters, particularly fires, and to restore biodiversity damaged by reforestation operations with species adapted to biotopes. This will maintain soil vegetation cover. Actions will also be undertaken to strengthen the richness 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 proper functioning of the water cycle.

The proper management of Natura 2000 areas also depends on the involvement of stakeholders on the ground. For the first time, EUR 56 million of aid is foreseen to compensate for the disadvantages of restrictions in management plans or equivalent instruments. This will encourage farmers, who are active in specific protection areas, to ensure the preservation of birds (particularly steppe birds) and to halt their decline.

Restoring and preserving agricultural ecosystems requires a shift in cultivation practices that steer production systems towards sustainable resource management. The most striking fact is the importance of areas converted to organic farming; it is the result of an effort undertaken during the previous programming period that will still mobilise 15 % of the budget for 443 000 hectares. In addition, we would recall 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 is likely to limit the contamination of water bodies by pesticides and nitrogen fertilisers.

Other forms of agri-environmental contracts will contribute to the preservation of biodiversity. Beekeepers will be remunerated for their contribution to maintaining entomophilic flora on 210 000 hectares outside the usual production areas. Action will also be taken to limit soil erosion from arable crops.

The programme will also contribute to the maintenance of extensive livestock farming systems linked to natural pastures and will contribute to the protection of animal breeds and plant varieties at risk of genetic erosion. Moreover, the conservation of the genetic resource will mobilise EUR 5 million.

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

Resource efficiency, renewable energy and climate protection

Investment projects will be assessed on their water and energy sobriety or whether they relate to the use or production of renewable energy. These projects will be prioritised,

possibly through a higher support rate, with the aim of contributing to the implementation of more energy efficient systems and also improving the economic performance of regional agriculture. More specifically, livestock farming is aimed at: the programme provides support for 50 projects to strengthen manure storage facilities and build anaerobic digesters for biogas production.

Modernisation and improvement of existing irrigation systems – more than 200 projects out of almost 16 000 hectares – will also be promoted in order to contribute to the objectives of the management plans under the Water Framework Directive aimed at improving the status of water bodies.

Climate change is a major threat to the sustainable development of regional agriculture. Actions to promote the maintenance and growth of forests will protect them against events affecting this natural heritage. They will also contribute to carbon capture and preserve the landscape.

Promoting social inclusion, poverty reduction and economic development of rural areas

The development of basic services, among others, for recreation and culture will be supported. Community-led and endogenous local development will be promoted through the LEADER approach. The maintenance and rehabilitation of rural heritage, will improve the attractiveness and quality of life of the inhabitants and will be used to slow down the depopulation process; the protection of natural heritage will raise public awareness about the conservation and improvement of natural resources. The promotion of cultural, historical and natural heritage is part of a vision to promote tourism that creates jobs.

Diversification of the rural economy must compensate for the seasonality of primary sector activity, create jobs and improve the quality of life in rural areas by promoting diversified territorial development. The RDP will also support diversification projects from the farm and the creation of SMEs outside the primary sector, directly supporting project promoters. It is hoped that 1 000 new jobs will be created.

Finally, Castilla – La Mancha has decided to involve its rural development programme in integrated territorial investments (ITI), which mobilise all the European Structural Investment Funds. The aim is to reverse as far as possible some structural imbalances between territories, such as high territorial dispersion, low population density, orographic difficulties, high rurality, high unemployment, population ageing and depopulation. Five areas are identified in relation to the acute nature of these handicaps and will be prioritised for the benefit of RDP measures.

The most important measures of the programme are as follows (in brackets the proportion of the total financial envelope of the programme):

- Measure 8 (forest): EUR 554,858,455 (27 %)
- Measure 4 (investments): EUR 506,932,322 (25 %)
- Measure 11 (organic farming): EUR 290,923,793 (14 %)
- Measure 19 (LEADER): EUR 169,395,070 (8 %)

Annex 1: Indicative distribution of RDP resources Castilla – La Mancha and target indicators

Priorities and focus	Measures	Total public expenditure (EUR)	%
Priority 1: knowledge transfer and innovation			
<u>1A</u> : fostering innovation, cooperation, knowledge base <u>1.45 %</u> of RDP resources allocated to measures 1, 2 and 16	01. Knowledge 02. Advise 16. Cooperation		
<u>1B</u> : strengthening the links between agriculture, food production and forestry, research and innovation <u>130</u> cooperation projects	16. Cooperation		
<u>1C</u> : training <u>99 000</u> participants trained	01. Knowledge		
Priority 2: farm viability and competitiveness, sustainable forest management		243 475 481	11,96
<u>2A</u> : modernisation, competitiveness and restructuring of agricultural holdings <u>3,50 %</u> of farms supported for modernisation and development	01. Knowledge	1 491 754	0,07
	02. Advise	2 417 356	0,12
	04. Investments	74 637 076	3,67
	16. Cooperation	251 073	0,01
<u>2B</u> : generational renovation <u>2,61 %</u> of farms run by young farmers receiving setting-up support	01. Knowledge	1 172 394	0,06
	02. Advise	805 785	0,04
	04. Investments	69 478 153	3,41
	06. Farm and business development	93 221 889	4,58
Priority 3: organisation of the food chain, processing and marketing		260 557 320	12,80
<u>3A</u> : added value of agricultural products through processing, improvement of marketing <u>1.14 %</u> of farms receiving support to participate in quality schemes <u>25.04 %</u> of agri-food industries supported for marketing and processing	01. Knowledge	922 371	0,05
	03. Quality schemes	12 608 000	0,62
	04. Investments	199 342 116	9,81
	09. producer groups and organisations	7 187 556	0,35
	14. Animal welfare	23 400 000	1,15

	16. Cooperation	6 121 358	0,30
3B: Risk management <u>0.82 %</u> of holdings participating in cooperation projects	16. Cooperation	1 111 111	0,05
Priority 4: restoring, preserving and enhancing ecosystems related to agriculture and forestry		926 177 316	45,53
4A: biodiversity <u>37,45 %</u> of agricultural area under contract <u>0.42 %</u> of forest areas under contract	01. Knowledge	1 859 299	0,09
	02. Advise	4 028 926	0,20
	04. Investments	16 088 484	0,79
	07. Basic services	3 337.373	0,16
	08. Forest	379 629 583	18,66
4B: water management <u>31,29 %</u> of agricultural area under contract <u>0.42 %</u> of forest areas under contract	10. Agri-environment-climate	99 520 578	4,89
	11. Organic farming	295 951 893	14,55
	12. Natura 2000 and WFD	56 649 008	2,79
4C: soil management <u>31.29 %</u> of agricultural area under contract <u>0.42 %</u> of forest areas under contract	13. Areas with natural constraints	102 858 911	5,05
	15. Forest – environment	2 624 000	0,13
	16. Cooperation	733 904	0,04
Priority 5: promoting resource efficiency		330 305 259	16,24
5A: efficient water use <u>3.90 %</u> of irrigated land moving to a more efficient irrigation system	01. Knowledge	308 197	0,02
	02. Advise	805 785	0,04
	04. Investments	30 238 515	1,48
	16. Cooperation	549 216	0,03
5B: efficient use of energy <u>EUR 14 392 496</u> of total investments	01. Knowledge	214 793	0,01
	04. Investments	61 778 611	3,03
	16. Cooperation	2 039 410	0,10
<u>5C: renewable energy and resources</u> <u>EUR 752 235</u> million total investment	04. Investments	17 527 812	0,86
	16. Cooperation	716 211	0,04
	22. Impact of Russia's invasion of Ukraine	18 798 510	0,92

<u>5D</u> : GHG and ammonia reduction 9,57 % LU concerned by investments 0,02 % of agricultural area under contract	01. Knowledge	214 793	0,01
	04. Investments	29 177 406	1,43
	16. Cooperation	670 346	0,03
<u>5E</u> : carbon conservation and sequestration % Of agricultural and forest land: 8,06	08. Forest	168 743 910	8,29
	16. Cooperation	575 100	0,03
Priority 6: economic development, social inclusion		218 524 765	10,73
<u>6A</u> : job creation 200 jobs created	01. Knowledge	1 933 264	0,10
	04. Investment	14 000 000	0,69
	08. Forest	7 125 488	0,35
<u>6B</u> : local development and LEADER 62,07 % of the rural population benefiting from local development strategies 16 % rural population benefiting from improved services and infrastructure 800 jobs created through LEADER projects	01. Knowledge	568 414	0,03
	07. Basic services	13 207 528	0,65
	19. LEADER	179 190 070	8,80
Technical assistance		23 637 189	1,16
Transitional measures	M 133	2 327 717	0,11
Total public expenditure (EUR)		2 036 363 047	100