



Factsheet on 2014-2022 Rural Development Programme for Extremadura

The Rural Development Programme (RDP) for Extremadura was formally adopted by the European Commission on 18 November 2015 and last modified in February 2023; outlining Extremadura's priorities for using the € 1 607 million of public money that is available for the 9-year period 2014-2022 (approximately €1 226 million from the EU budget (including 77 EURI) and €378 million of national co-funding). The 2021 modification extended the programming period for 2-years, to 31 December 2022 and included two annual EAFRD allocations as well as the EU financed recovery funds (EURI). The most recent modification included the new Measure 22 created to counteract the effects of the Russia invasion in Ukraine.

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 14% of the farms in Extremadura. In addition, more than 2 300 young farmers will receive start up aid to launch their businesses. Further, 8 764 places will be made available in training courses and 47 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 mitigation and adaptation. Almost 16% of irrigated farmland will receive support to improve water efficiency; 5.2% of the agricultural land will be under management contract to prevent soil erosion and desertification, and 24% to protect biodiversity. Local Action Groups under LEADER will develop local initiatives affecting 70% of the rural population and creating 1 120 new jobs. Moreover, 70% 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, there are 118 programmes in all 28 Member States¹. The RD Regulation for the period 2014-2022 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 Extremadura 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 The UK left the Union on 31st January 2020; in accordance with the Withdrawal Agreement support under Rural Development continues to apply in the UK during the 2014-2020 programming period

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 RDP of Extremadura is the 4th largest Spanish programme in terms of budget, which represents 10.7% of total EAFRD for Spain.

The region of Extremadura is located in the South West of Spain. It is one of the biggest regions of Spain (41 635 km², 8.2% of the Spanish total area) and at the same time one of the least populated (1 083 065 inhabitants).

Extremadura is the only region of Spain which is categorised as "less developed". 1/3 of its population is unemployed and classified as poor. Among young people (15-24 years old) the unemployment rate reached 60% (2012 figures).

Of the total area, 47.7% of the territory is considered as rural, farmland covers 55.4 %, grassland 15.7% and forestland 7.4%. Agriculture is of foremost importance, the primary sector in Extremadura contributes almost 6% to gross added value and 9% to regional employment. Main vegetables products are cereals, vegetables, fruits, grapes, olive and tobacco. The production of tobacco of Extremadura represents almost 95% of the production in Spain (2014 figures) which is among the 5 main producers of tobacco in the EU. Concerning livestock farming, 90% of regional production is extensive and located in the agro-forestry system "dehesas", which covers 25% of the total territory of Extremadura. There are 65 230 agricultural holdings in Extremadura, with an average size of 39.6 hectares (above Spanish average). 76% of the UAA is under ANC.

Farming in Extremadura is affected by shortcomings, including structural problems in and outside holdings. Consequently, one of the key challenges for this programming period will be to improve the competitiveness of farms, to implement new irrigation areas and modernisation of existing ones and improving paths, whilst supporting environmentally sustainable agricultural systems and landscapes.

2. HOW EXTREMADURA RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, Extremadura's RDP will fund actions under all Rural Development priorities – with a particular emphasis on enhancing farm viability and competitiveness of all types of agriculture and promoting innovative farm technologies and the sustainable management of forests as well as restoring, preserving and enhancing ecosystems related to agriculture and forestry. The focus of each priority is explained briefly below.

Knowledge transfer and innovation in agriculture, forestry and rural areas

During the programming period Extremadura will support the development of innovative solutions through 42 European Innovation Partnership (EIP-AGRI) operational groups and it will create 8 764 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 14% of all farms in the region, while more than 3% 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 the participation in quality schemes, local markets and short supply chain circuits for almost 2 000 farms.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Most funds under this priority will be used for agro-environmental operations, including organic farming (92 680 ha), as well as support for environment/climate-friendly forest investments. 23.9% of the agricultural land will be under contract for biodiversity, 4.6% for water management and 5.2% for soil management.

Resource efficiency and climate

This priority will mainly address investments related to water efficiency so that 15.6% of the region's irrigated area will switch to more efficient irrigation systems.

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 1 120 new jobs as well as new business opportunities. The Local Development Strategies will cover 70.3% of the population in Extremadura, which will benefit from improved basic services and infrastructures.

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

- €577 million allocated to Measure 4 – Investment in physical assets
- €252 million allocated to Measure 10 – Agri-environment-climate
- €174.6 million allocated to Measure 8 - Investment in forest area development and improvement of the viability of forests.
- €145.7 million allocated to Measure 19 - LEADER

Annex 1: Indicative public support for the Rural Development Programme in Extremadura (without top-up)

Target	Measure	€ Total public	%
Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas¹			
1A: Fostering innovation, cooperation, knowledge base 1% of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) 47 cooperation projects	16 cooperation		
1C: Training 8 764 participants trained	01 knowledge		
Priority 2: Farm viability, competitiveness and sustainable forest management		462 466 437.00	28.80
2A: Economic performance, restructuring & modernisation 14% of holdings with RDP support	02 advisory	619 391.00	0.04
	04 investments	332 524 419.00	20.71
	16 cooperation	13 239 892.00	0.82
	21 Covid-19 crisis	16 434 000.00	1.02
	M22 Impact of Russia's invasion of Ukraine	13 100 000.00	0.82
2B: Generational renewal 3.7% of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	1 470 714.00	0.09
	06 farm and business development	85 078 021 00	5.30
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		133 140 620.00	8.29
3A: Improving competitiveness of primary producers 0.7% of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations 813 supported holdings for processing and marketing of agricultural products	03 quality schemes	2 509 593.00	0.16
	04 investments	129 699 734.00	8.08
	09 producer groups	490 079.00	0.03
3B: Risk management 88 number of training actions on risk management	01 knowledge	441 214	0.03

Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry²		719 944 720.20	44.84
<u>4A Biodiversity</u>			
6.69% of forest/other wooded area under contracts	04 investments	52 205 711.67	3.25
23.90% of agricultural land under contracts			
	07 basic services	49 596 321.00	3.09
	08 forest	174 654 871.00	10.88
<u>4B Water management</u>			
4.56% of agricultural land under contracts			
	10 AEC	251 310 077.00	15.65
6.69% of forestry land under contracts	11 organic farming	79 554 316.00	4.95
	13 ANC	103 482 011.00	6.45
<u>4C Soil erosion and management</u>			
5.16% of agricultural land under contracts	15 forest - environment	9 141 412.53	0.57
Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors		73 308 013.80	4.57
5A Water efficiency	04 investments		
15.56% of irrigated land switching to more efficient irrigation systems		62 638 087.00	3.90
5B Energy efficiency	01 knowledge		
30 number of training actions on energy efficiency		147 071.40	0.01
5C Renewable energy	06 farm and business development		
32 423 873 € on investments for renewable energy		9 727 163.00	0.61
5D Reducing GHG and NH3	01 knowledge		
30 number of training actions on reducing GHG and NH3		147 071,40	0.01
5E Carbon conservation and sequestration	10 AEC		
0.03% of agricultural and forest land under management contracts contributing to carbon sequestration or conservation		648 621.00	0.04

Priority 6: Social inclusion, poverty reduction and economic development in rural areas		170 296 296.00	10.61
6A Diversification, SMEs and job creation number of jobs participants in trainings: 876	01 knowledge	294 142.80	0.02
6B Fostering local development 70% rural population under local development strategies	07 basic services	2 3842 298.00	1.48
70% rural population with improved services/infrastructure 1 120 jobs created (via LEADER)	19 LEADER	145 718 641.00	9.08
6C ICT 88 number of training actions on new technologies	01 knowledge	441 214.20	0.03
Technical Assistance		39 071 432.75	2.43
TA Covid		7 341 982.50	0.46
Total public expenditure EUR		1 605 569 502.25	100.00

¹ No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas.

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