



Factsheet on the 2014-2022 Rural Development Programme for Castilla y León

The Rural Development Programme (RDP) for Castilla y León was formally adopted by the European Commission on 25 August 2015 and last modified on 4 September 2023, outlining Castilla y León's priorities for using the € 2 284.78 million of public money that is available for the 9-year period 2014-2022 (€ 1 333.37 million from the EU budget, out of which € 83.83 million EURI, € 768.41 million of national co-funding and also € 183.00 million of additional national funding top-ups).

The RDP for Castilla y León focuses strongly on two priorities. Firstly, in order to improve the competitiveness of the farm sector, almost 5 500 farms will receive support to restructure and modernise and 5 300 young farmers will receive support to launch their businesses. To raise skill levels, the programme will support training for around 33 758 participants and 18 000 farmers or businesses will receive personalised advice. Nearly 33% of the total public expenditure is budgeted for these goals.

Secondly, 29% of the total spending will be targeted towards the priority restoring, preserving and enhancing ecosystems related to agriculture and forestry, with 30% of farmland (and almost 4% of forests) to come under management contracts to improve biodiversity. Some 4 000 participants will receive training related to environmental care.

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 States¹.

The Rural Development Regulation for the current 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 Castilla y León 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 region of Castilla y León is located in the North Centre of Spain. It covers an area of 92 226 km² of which 96 % is rural. It is the largest region of Spain - suffering from its peripheral situation, the size of its territory, low population density, the long distances between towns and the difficult access to the mountainous areas.

Castilla y León is a plateau with 98% of its area at an altitude of more of 600m, and 32% of it above 1 000m. The climate is characterised by sharp contrasts - with long and cold winters, dry and hot summers and a general water deficit. The climate makes possible outstanding biodiversity in the region, but has a negative impact on agricultural production.

With a very low population density of 17 inhab/km² in its rural areas - 25% being elderly people, while only 12% are aged below 24 - Castilla y León is suffering from the exodus of its youth. The region is home to nearly 2.5 million people, 25% of them living in rural areas. The unemployment rate was 22% in 2013 and, among young people, almost 50%. However, these young people have a high level of education - a strength of the region which should be used.

Agriculture is of foremost importance to Castilla y León's economy, providing jobs to 7.3% of the labor force. It is characterised by two major sub-sectors: arable crops and livestock which between them account for 94% of total agricultural production (46% for arable crops, 47% for livestock). Castilla y León is home to 98 300 farms - with an average size of 55 ha. However, holdings are characterised by inefficient/old equipment which performs poorly in economic and environmental terms. In particular, irrigation systems are often too inefficient to cope adequately with the tension between water needs and scarcity.

Agriculture plays a key role in maintaining the environment and landscapes as well as in the strategic agri-food sector – which aims to be competitive and export-oriented. Indeed, the food industry occupies an important place in the region's economy, employing 27% of the labour force and accounting for 4.3% of GDP. It is a growing sector in Castilla y León, among the most dynamic.

Forests - which cover a large proportion of the region - are underutilised and are also seen as having a strong potential to create wealth and jobs, especially if recent innovations are put to use in the sector. In order to help economic development and improve links between producers and processors (especially in mountainous areas), roads and path networks need to be created or rationalised.

The main challenges facing the region are the low intake of young farmers into the primary sector and the need to retain young people in rural areas by offering innovative and dynamic jobs opportunities, as well as by offering the indispensable training/advisory framework needed. Women are considered a key asset to help retain population and both the agriculture and food industries seem relevant triggers to promote their economic and social development. Innovation and knowledge transfer in the food sector should be promoted.

Other challenges exist in the risk of abandonment of farmland. In environmental terms, the region faces problems of vulnerability to climate change (risk of flood, drought, and fire) and water scarcity. Sustainable economic development goes together with a sustainable policy as far as adaptation to climate change and protection of natural

resources is concerned.

2. HOW CASTILLA Y LEÓN'S RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, Castilla y León's RDP will fund action under all Rural Development priorities – with a particular emphasis on competitiveness of agri-sector and sustainable forestry, as well as restoring, preserving and enhancing ecosystems related to agriculture and forestry. With a cross-cutting focus on innovation that informs the principles set for selecting projects for support under numerous measures, the programme should be able to address the region's goals. The focus of each priority is explained briefly below.

Knowledge transfer and innovation in agriculture, forestry and rural areas

This cross-cutting priority will be addressed mainly through measures supporting training: 33 758 participants will be trained. 70 innovative projects will be financed through the "cooperation" measure.

Competitiveness of agri sector and sustainable forestry

Farm investments supported under this priority will aim at modernising and restructuring around 5.5% of all farms (almost 5 500 farmers) in the region, while more than 5% of farms will receive support for young farmers (5 300) to launch their businesses. Advisory services will be promoted - with 18 000 participants in all sectors using them. Indeed, it will be compulsory to use advisory services in order to access support under certain other measures, to make these more effective.

Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

Under this priority, nearly 1.7% of farms (1 800 farms) will receive support to invest in processing and marketing of agricultural products. Cooperation among food-chain actors and innovation bodies will be encouraged, as well as producer groups - to lead the professionalization of the sectors.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Most funds under this priority will be used for agri-environment-climate operations and for organic farming. A large part will be channelled towards investments aiming at improving the viability of the forests on nearly 36 100 hectares. More than 30% of agricultural land will be under contracts for biodiversity, water management and soil management. For organic farming, support will be given to convert 22 000 hectares to organic farming and to maintain it on 30 000 hectares.

Resource efficiency and climate

This priority will mainly address investments related to water efficiency so that 13.02% of the region's irrigated area will switch to more efficient irrigation systems. In order to promote carbon conservation and sequestration, 22 000 ha will be afforested.

Social inclusion and local development in rural areas

Under this priority, the region will support 44 LEADER Local Action Groups and their Local Development Strategies. These strategies will unlock small investments related to diversification into non-agricultural activities in rural areas. The focus will be on fostering local development, improving the living conditions of the rural population and on creating 1 300 new jobs as well as new business opportunities. The Local Development Strategies will cover more than 40% of the rural population in Castilla y León.

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

- € 996.17 million allocated to Measure 4: Investments in physical assets
- € 263.87 million allocated to Measure 10: Agri-environment-climate

- € 261.52 million allocated to Measure 8: Investment in forest area development and improvement of the viability of forests
- € 238.16 million allocated to Measure 13: Payments to area facing natural or specific constraints
- € 198.92 million allocated to Measure 6: Farm and business development

Annex 1: Indicative public support for the Rural Development Programme in Castilla y León²

Target	Measure	€ Total public	%
Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas³			
1A: Fostering innovation, cooperation, knowledge base 1.49 % of RDP expenditure	01 knowledge		
	02 Advisory services		
	16 cooperation		
1B: Strengthening links (with research etc.) 70 cooperation projects	16 cooperation		
1C: Training 33 758 participants trained	01 knowledge		
Priority 2: Farm viability, competitiveness and sustainable forest management		761 347 464	33.32
2A: Economic performance, restructuring & modernisation 5.56 % of holdings with RDP support	01 knowledge	2 540 479	0.11
	02 advisory services	13 658 916	0.60
	04 investments	539 253 425	23.60
	21 COVID 19 - crisis	5 335 600	0.23
2B: Generational renewal 5.39 % of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	1 634 088	0.07
	06 farm / business development	198 924 953	8.71
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		257 628 991	11.28
3A: Improving competitiveness of primary producers 1.77 % of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations 6.80% of agro-food industries supported	01 knowledge	916 981	0.04
	03 quality schemes	1 049 057	0.05
	04 investments	239 112 953	10.47
	09 producer groups	1 350 000	0.06
	16 cooperation	13 500 000	0.59
3B: Risk management 0.55% of holdings participating in risk prevention actions	05 restoring agriculture potential	1 700 000	0.07

² Figures and percentages have been rounded-up.

³ No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas.

Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry⁴		665 746 880	29.14
4A Biodiversity			
3.92 % of forest/other wooded area under contracts	01 knowledge	1 738 877	0.08
30.80 % of agricultural land under contracts	07 basic services	8 649 811	0.38
4B Water management	08 forests	112 224 430	4.91
30.80 % of agricultural land under contracts	10 AEC	263 878 463	11.55
	11 organic farming	41 089 153	1.80
4C Soil erosion and management	13 ANC	238 166 146	10.42
30.80 % of agricultural land under contracts			
3.92 % of forest land under contracts			
Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors		358 961 139	15.71
5A Water efficiency			
13.02 % of irrigated land switching to more efficient irrigation systems	04 investments	196 239 911	8.59
5C Renewable energy			
Total investments in renewable energy production 8.63 million EUR	04 investments	6 474 882	0.28
5E Carbon conservation/sequestration			
0.24 % of agricultural and forest land under management contracts contributing to carbon sequestration or conservation	04 investments	15 000 000	0.66
	08 forests	141 156 346	6.18
Priority 6: Social inclusion, poverty reduction and economic development in rural areas		208 932 325	9.14
6A Diversification SMEs and job creation			
100 jobs created (via M08)	08 forests	8 146 289	0.36
6B Fostering local development			
40.36 % rural population under local development strategies	07 Basic services	29 798 555	1.30
3.18 % rural population with improved services/infrastructures	19 LEADER and CLLD	170 987 480	7.48
1 300 jobs created via LEADER			
Technical Assistance		15 394 211	0.67
Discontinued measures		16 775 472	0.73
Total public expenditure €		2 284 786 483	100

⁴ Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas