



## **Factsheet on 2014-2020 Rural Development Programme País Vasco**

The Rural Development Programme (RDP) for País Vasco was formally adopted by the European Commission on 26 May 2015, outlining País Vasco's priorities for using the € 292 million of public money that is available for the 7-year period 2014-2020 (€87.1 million from the EU budget, and € 51.4 million of national co-funding plus € 153.4 million of additional national funding top-ups).

The RDP for País Vasco focuses mainly on three priority areas. In order to improve the competitiveness of the farm sector, 19% of farmers will get support to restructure and modernise their farms and almost 3% of farms will get support for young farmers to launch their businesses. Some 2 350 farmers will receive will receive funding to participate in quality schemes, local markets and short supply chain distribution and the region will support training for more than 22 000 participants. Restoring, preserving and enhancing of ecosystems related to agriculture and forestry-is also considered important with 13% of farmland and just above 1% of forestry land to come under management contract to improve biodiversity. Nearly 53% of the rural population will be covered by a LEADER local development strategy and these strategies are expected to create around 530 new jobs. In addition, the entire population of País Vasco will benefit from new or improved ICT services or infrastructure

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 País Vasco 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 Programme provides the funding for the networking of rural development actors in Spain.

País Vasco covers an area of 7 234 km<sup>2</sup>, of which 70 % is rural. The region is home to 2.2 million people or 8 % of the Spanish population. Of the total area, farmland covers 30 % and forestry 55 %. The Basque region consists of three historical territories or

provinces. There are significant differences between the more urbanised coastal provinces (Gipuzkoa and Bizkaia) and Alava, which is very rural. Given the geography of the region, its rural areas are closely linked to urban areas.

A key socio-economic strength is the fact that although agriculture and forestry represent only 0.5% of the total regional GDP, the two sectors play a key role in conserving the environment and landscapes, cultural heritage as well as the strategic agri-food sector).

The unemployment rate is 9.73% (2012). The ageing of the population which, coupled with young people leaving for urban areas, may lead to land abandonment is considered a large problem in the region. In addition, other weaknesses include the fact that the farm sector is dominated by farms with no employees, low qualification levels in rural areas, as well as the fact that País Vasco is a very mountainous region that makes mechanisation of agriculture and forestry processes difficult.

## **2. HOW THE PAÍS VASCO 'S RDP WILL ADDRESS THESE CHALLENGES**

In addressing these challenges, País Vasco's RDP will fund action 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 of 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

This cross-cutting priority will be addressed mainly through measures supporting training: more than 22 000 participants will be trained. There will also be support for 130 cooperation projects in the framework of the European Innovation Partnership for Agricultural Productivity and Sustainability.

### Competitiveness of agri sector and sustainable forestry

Besides previously mentioned support for training, some 19 % of farms will receive funding for investments focused on restructuring and modernisation. Nearly 3 % of farms will receive support for young farmers to set up their businesses.

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

Under this priority, more than 14% of farms (around 2 350 farms) will receive funding to participate in quality schemes, local markets and short supply chain distribution.

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

Around 40% of the allocated amount will be used for area-based payments to farmers for using environment/climate friendly management practices, including organic farming. Nearly 13% of farmland will come under management contracts to improve biodiversity.

### Resource efficiency and climate

Support allocated under this priority will mainly facilitate the supply and use of renewable sources of energy. 36 % of farmland and forest land will be under contracts contributing to fostering carbon conservation and sequestration in agriculture and forestry.

### Social inclusion and local development in rural areas

The programme will fund Local Development Strategies (LDS) drawn up and implemented by Local Action Groups (LAGs) under the LEADER approach. Nearly 53% of the rural population will be affected by these local initiatives which will also create around 530 new jobs. In addition, the entire population of País Vasco will benefit from new or improved ICT services or infrastructure.

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

- € 108 million allocated to Measure 4: Investments in physical assets
- € 58 million allocated to Measure 8: Forestry
- € 39 million allocated to Measure 19: LEADER
- € 28 million allocated to Measure 13: Payments for areas facing natural constraints

**Annex 1: Indicative public support for the Rural Development Programme in País Vasco**

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 18.37% of RDP expenditure	01 knowledge 16 cooperation		
1B: Strengthening links (with research etc.) 130 cooperation projects	16 cooperation		
1C: Training 22 055 participants trained	01 knowledge		
<b>Priority 2: Farm viability, competitiveness and sustainable forest management</b>		<b>77 573 054</b>	
2A: Economic performance, restructuring & modernisation 18.81 % of holdings with RDP support	01 knowledge 04 investments 16 cooperation	153 793 62 808 808 2 210 000	0.05 21.51 0.76
2B: Generational renewal 2.81 % of holdings with RDP supported business development plan/investments for young farmers	01 knowledge 06 farm / business development	1 080 264 11 320 189	0.37 3.88
<b>Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management</b>		<b>55 440 726</b>	
3A: Improving competitiveness of primary producers 14.16 % of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations	01 knowledge 03 quality schemes 04 investments 09 producer groups 16 cooperation	153 793 8 660 377 41 487 495 1 537 500 3 510 000	0.05 2.97 14.28 0.53 1.20
3B: Farm risk prevention and management	01 knowledge	91 561	0.03

<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>66 525 214</b>	
4A Biodiversity	01 Knowledge	301 910	0.10
1.11 % of forest/other wooded area under contracts	04 Investments	3 883 934	1.33
12.97 % of agricultural land under contracts	08 Forests	13 986 430	4.79
4B Water management	10 AEC	15 823 506	5.42
0.42% of agricultural land under contracts	11 Organic farming	2 375 002	0.81
0.89% of forestry land under contracts	13 ANC	28 380 667	9.72
4C Soil erosion and management	15 Forest-environment	538 765	0.18
0.42% of agricultural land under contracts	16 Cooperation	1 235 000	0.42
0.89% 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>49 513 451</b>	

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

5A Water efficiency  0.89% of irrigated land switching to more efficient irrigation systems	01 Knowledge	91 561	0.03
	10 AEC	254 385	0.09
	16 Cooperation	451 750	0.15
5B Energy efficiency  Total investment for energy efficiency	01 Knowledge	118 787	0.04
	16 Cooperation	451 750	0.15
5C Renewable energy  56 321 373 euros investment in renewable energy production	01 Knowledge	91 560	0.03
	08 Forest	26 923 424	9.22
	16 Cooperation	2 158 000	0.74
5D Reducing GHG and NH3  0.05% of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions	01 Knowledge	60 445	0.02
	10 AEC	254 385	0.09
	16 Cooperation	451 750	0.15
5E Carbon conservation and sequestration  35.75 % of agricultural and forest land under management contracts contributing to carbon sequestration or conservation	01 Knowledge	91 560	0.03
	08 Forest	16 762 954	5.74
	10 AEC	899 390	0.31
	16 Cooperation	451 750	0.15
<b>Priority 6: Social inclusion, poverty reduction and economic development in rural areas</b>		<b>41 561 953</b>	
6A Diversification, creation of small enterprises and jobs  554 jobs created in supported projects	01 Knowledge	305 486	0.10
	16 Cooperation	650 000	0.22

6B Fostering local development  <u>52.59 %</u> rural population under local development strategies  <u>52.59 %</u> rural population with improved services/infrastructure  <u>530</u> jobs created (via LEADER)	01 Knowledge	153 793	0.05
	16 Cooperation	1 430 000	0.49
	19 LEADER and CLLD	38 717 188	13.26
6C Access to and quality of ICT  100 % of rural population benefiting from new or improved services/infrastructures (ICT)	01 knowledge	305 486	0.10
<b>Technical Assistance</b>		679 245	0.23
<b>Discontinued measures</b>		662 100	0.23
<b>Total public expenditure €</b>		<b>291 955 743</b>	<b>100</b>