



## **Factsheet on 2014-2020 Rural Development Programme of Comunidad Valenciana**

The Rural Development Programme (RDP) for Comunidad Valenciana was formally adopted by the European Commission on 28 July 2015, as last modified on 4 August 2017, outlining Valencia's priorities for using the € 450 million of public money that is available for the 7-year period 2014-2020 (€ 204 million from the EU budget and € 180.9 million of national co-funding plus € 65.1 million of additional national funding top-ups).

In order to improve the competitiveness of the farm sector, Comunidad Valenciana's RDP aims to give investment support to 744 farmers to restructure and modernise their farms and 768 young farmers will receive support to launch their businesses. 650 farmers will receive funding to participate in quality schemes, local markets and short supply chain distribution. The region will support training for 9 000 participants and will promote innovation through 30 cooperation projects. Restoring, preserving and enhancing of ecosystems related to agriculture and forestry is also considered important with 22 530 ha of farmland and 17% of forestry coming under management contract to improve biodiversity. This also includes supporting the conversion or maintenance of organic farming on 22 740 hectares. More than 45% of the rural population will be covered by LEADER local development strategies, which are expected to create 150 new jobs.

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 Valencia 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 provides the funding for the networking of rural development actors in Spain.

Comunidad Valenciana is located in the South East of Spain and consists of three provinces: Alicante, Castellón and Valencia. It covers an area of 23 255 km<sup>2</sup> (4.6% of the Spanish total area), of which 65% is rural. The region is home of 5 million people. Of the total area, farmland covers 45% and forestry 54 %. The primary sector contributes 2.4% to gross added value in Valencia.

Two ways of farming coexist in the Region of Valencia. Irrigated farming, rice and fruit trees occupy 33% of the agricultural area and extensive non-irrigated agriculture occupies the other two thirds. Agriculture plays a key role in maintaining the environment and landscapes as well as the strategic agri-food sector which is very export-oriented. There are 120 000 agricultural holdings in Valencia, and the average size is only 7.5 hectares. The small dimension of the holdings limits the investment capacity and derives in lack of know-how and part-time farming.

The unemployment rate is 27% (2013), and more than 50% among young people. Other challenges of the region are the low level of generation renewal in the primary sector, the risk of abandonment of farmland and the fragmentation of holdings. On the environmental size, the region faces problems of vulnerability to climate change (risk of flood, drought, fire), water scarcity and soil and forest deterioration.

## **2. HOW THE COMUNIDAD VALENCIANA RDP WILL ADDRESS THESE CHALLENGES**

In addressing these challenges, Valencia's RDP will fund actions under all six Rural Development priorities – with a particular emphasis on restoring, preserving and enhancing ecosystems related to agriculture and forestry and promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors. 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 9 000 participants will be trained. There will also be support for 30 cooperation projects.

### Competitiveness of agri sector and sustainable forestry

Farm investments supported under this priority will aim at modernising and restructuring around 744 farms in the region, while 768 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 606 projects investing in agricultural holdings as well as processing and marketing of agricultural products.

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

Most funds under this priority will be used for area-based payments to farmers for using environment/climate friendly management practices, including organic farming, as well as support for environment/climate-friendly forest investments. 22 530 ha of farmland and 17% of forestry coming under management contract to improve biodiversity. This also includes supporting the conversion or maintenance of organic farming on 22 740 hectares.

### Resource efficiency and climate

Support allocated under this priority will facilitate the supply and use of renewable sources of energy with around € 5.5 million of public and private expenditure. 22 425 ha 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 46% of the rural population will be affected by these local initiatives which will also create 150 new jobs.

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

- € 118.9 million allocated to Measure 4 – Investment in physical assets
- € 71 million allocated to Measure 10 – Agri-environment-climate
- € 58.2 million allocated to Measure 8 - Investment in forest area development and improvement of the viability of forests.
- € 48 million allocated to Measure 6 - Farm and business development (business start-up aid for young farmers)
- € 34.3 million allocated to Measure 11 – Organic farming

## Annex 1: Indicative public support for the Rural Development Programme in Comunidad Valenciana

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 2.11% of RDP expenditure	01 knowledge		
	16 cooperation		
1B: Strengthening links (with research etc.) 30 cooperation operations	16 cooperation		
	1C: Training 9 000 participants trained		
<b>Priority 2: Farm viability, competitiveness and sustainable forest management</b>		<b>50 750 000</b>	<b>11.28</b>
2A: Economic performance, restructuring & modernisation 0.62% of holdings with RDP support	01 knowledge	2 100 000	0.47
	04 investments	8 000 000	1.78
	16 cooperation	2 250 000	0.50
2B: Generational renewal 0.53% of holdings with RDP supported business development plan/investments for young farmers	06 farm and business development	38 400 000	8.53
<b>Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management</b>		<b>52 778 000</b>	<b>11.73</b>
3A: Improving competitiveness of primary producers 0.54% of farms supported 606 supported beneficiaries for processing and marketing of agricultural products	01 knowledge	700 000	0.16
	03 quality schemes	3 000 000	0.67
	04 investments	48 828 000	10.85
	16 cooperation	250 000	0.06

<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>151 125 000</b>	<b>33.58</b>
4A Biodiversity	04 investments	3 980 000	0.88
17.09% of forest/other wooded area under contracts	08 forest	48 725 000	10.83
3.43% of agricultural land under contracts	10 AEC	65 020 000	14.45
4B Water management	11 organic farming	23 400 000	5.20
2.81% of agricultural land under contracts	13 ANC	10 000 000	2.22
17.09% of forestry land under contracts			
4C Soil erosion and management			
1.12% of agricultural land under contracts			
17.09% 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>89 595 000</b>	<b>19.91</b>
5A Water efficiency	04 investments	55 820 000	12.40
5.59% of irrigated land switching to more efficient irrigation systems			
5C - Renewable energy	08 Forests	3 000 000	0.67
5 500 000 euros investment in renewable energy production			
5D - Reducing GHG and NH3	04 investments	5 700 000	1.27
0.08% of livestock units concerned by investments in livestock management in view of reducing the GHG and/or ammonia emissions	10 AEC	6 000 000	1.33
	11 organic farming	13 650 000	3.03
0.45% of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions			
5E Carbon conservation and sequestration	08 Forests	3 475 000	0.77
1.18% of agricultural and forest land under management contracts contributing to carbon sequestration or conservation	11 organic farming	1 950 000	0.43
<b>Priority 6: Social inclusion, poverty reduction and economic development in rural areas</b>		<b>92 252 000</b>	<b>20.50</b>
6A - Diversification, SMEs and job creation	01 knowledge	700 000	0.16
550 jobs created in supported projects	04 investments	45 952 000	10.21
	06 farm and business development	9 600 000	2.13
	08 Forests	3 000 000	0.67
6B Fostering local development	19 LEADER	33 000 000	7.33
45.77 % rural population under local development strategies			
150 jobs created (via LEADER)			

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

<b>Technical Assistance</b>		5 000 000	1.11
<b>Discontinued measures</b>		8 500 000	1.89
<b>Total public expenditure €</b>		<b>450 000 000</b>	<b>100.00</b>