

Rural Development Programme (RDP) of the Community of Valencia, Spain

Programa de Desarrollo Rural de la Comunitat Valenciana – *To be inserted*¹
(Rural Development Programme of the Community of Valencia)

Relevant Contact Details

Address: Agencia Valenciana de Fomento y Garantía Agraria (Servicio de Programación Financiera de Fondos Comunitarios), C/ Amadeo de Saboya, 2, 46010 Valencia, Spain

Telephone number: +34 96 34 24 500

Managing Authority Website:

<http://www.agricultura.gva.es>

Other useful links:

Rural Development Programme (RDP):

[http://enrd.ec.europa.eu/rural-development-policy/country-](http://enrd.ec.europa.eu/rural-development-policy/country-information/spain/en/spain_home_en.cfm)

[information/spain/en/spain_home_en.cfm](http://enrd.ec.europa.eu/rural-development-policy/country-information/spain/en/spain_home_en.cfm)

National Strategy Plan (NSP):

[http://www.mapa.es/es/desarrollo/pags/progra-](http://www.mapa.es/es/desarrollo/pags/programacion/plan_estrategico/plan_estrategico.htm)

[macion/plan_estrategico/plan_estrategico.htm](http://www.mapa.es/es/desarrollo/pags/programacion/plan_estrategico/plan_estrategico.htm)

Spanish National Rural Network (NRN):

[http://www.mapa.es/es/desarrollo/pags/RedRur-](http://www.mapa.es/es/desarrollo/pags/RedRuralNacional/Presentacion/presentacion.htm)

[alNacional/Presentacion/presentacion.htm](http://www.mapa.es/es/desarrollo/pags/RedRuralNacional/Presentacion/presentacion.htm)

General socio-economic situation in rural areas in the Valencia region

The region of Valencia is located on the eastern Mediterranean coast of Spain and has a total surface of 23,255 km² representing 4.6% of the Spanish territory. The RDP provides baseline figures for Valencia in 2006: GDP per capita in Comunidad Valenciana is €18,977 (90.8% of the Spanish average at the time); the agriculture sector employs 2.95% of the active population and contributes 2.39% to the gross value added. Other RDP baseline data show that rural areas in Comunidad Valenciana occupy 62% of the regional territory and the region is characterised by high population density in the coastal areas and depopulation of most inland rural areas.

Socio-economic strengths include high productivity in agriculture with very strong export orientation (one of the most important world producers and exporters of citric fruit and significant yields in rice production), competitive advantage in pig and poultry production (55% of the total animal production in the region), strong agri-food sector (employs more than 40,000 people) made up of very small companies, a significant decrease in the unemployment rate, economic diversification especially in coastal areas that can act as an

¹ Latest updated RDP, following the adoption of the Health Check and European Economic Recovery Package and additional funds from Modulation.



Map of Valencia
(© European Commission)

engine for inner rural areas, strong associative and cooperative culture in agriculture, very well developed and diverse tourism offer (valuable environmental, landscape, cultural and historic heritage).

Weaknesses include a high proportion of areas classified as less favoured (50% of the territory), a relatively high unemployment rate (8.4%), excessive concentration of agriculture on certain crops with high production costs, excessive reliance of agriculture on small holdings (minifundios), lack of professionalism of farmers, insufficient service provision in predominantly rural areas, increased ageing of rural population.

In terms of the environment, over half of the territory is covered by forests, around a third belongs to Natura 2000 (including Sites of Community Interest (SCI) and Special Protection Areas (SPA) for birds), it is a leader amongst Spanish regions in the re-utilisation of residual water for irrigation purposes and efficient water management. However, there is serious soil erosion, scarce water resources and increasing contamination.

Following the CAP Health Check, the European Economic Recovery Package (EERP) and wine reform and modulation, in recognition of the greater emphasis now being given to the 'new challenges' facing agriculture and rural areas, the RDP was revised in 2009 to place additional importance on climate change by supporting energy efficiency, in particular in the fruit and vegetable sector (the most important sector of the Valencia agricultural economy). This sector is facing increasing competition following the market opening to third countries. Fruit and vegetables greenhouses in the Comunidad Valenciana have a high level of productivity and there is a need to contribute to their modernisation, by improving their energy efficiency and reducing their environmental impact, whilst reducing their costs. Furthermore, the production of renewable energy and the use of biomass will address the negative environmental effects of agricultural activities.

RDP strategic objectives

The main objective of the RDP is to increase the income of the people employed in agriculture and in the rural areas of Comunidad Valenciana, in a sustainable way (i.e. economic, social and environmental). The RDP gives priority to investment measures, such as adding value to agricultural products, and to agri-environment measures.

Priorities and objectives of this RDP comprise:

- 1) Overcome structural weaknesses of the sector
- 2) Focus on productivity improvements
- 3) Promote, where viable, the multifunctional character of agriculture

The overall objectives were chosen in accordance with the Community Strategic Guidelines (CSG), the National Strategy Plan and the Spanish National Framework. Measures proposed are coherent with the objectives set and contribute to strengthen the competitiveness. Water management will be focused in water savings, keeping this policy coherent with the compliance of the Water Framework Directive.

Taking into account the additional financing in the revised RDP and the socio-economic context in rural areas, greater strategic priority is now given to the fruit and vegetable sector.

² Detailed information on the individual measures can be found in Annex I.

The RDP amendments are in line with the revised Spanish National Strategy. In particular, the focus on the priority "climate change" is coherent with the National Strategy Plan, which has defined the "importance of the agro-industry" as a strategic priority to promote at national level. The new investments promoted in Comunidad Valenciana to foster energy saving and renewable energy are expected to contribute to achieve the goals set at national level.

Expected impact / outcomes of the policies

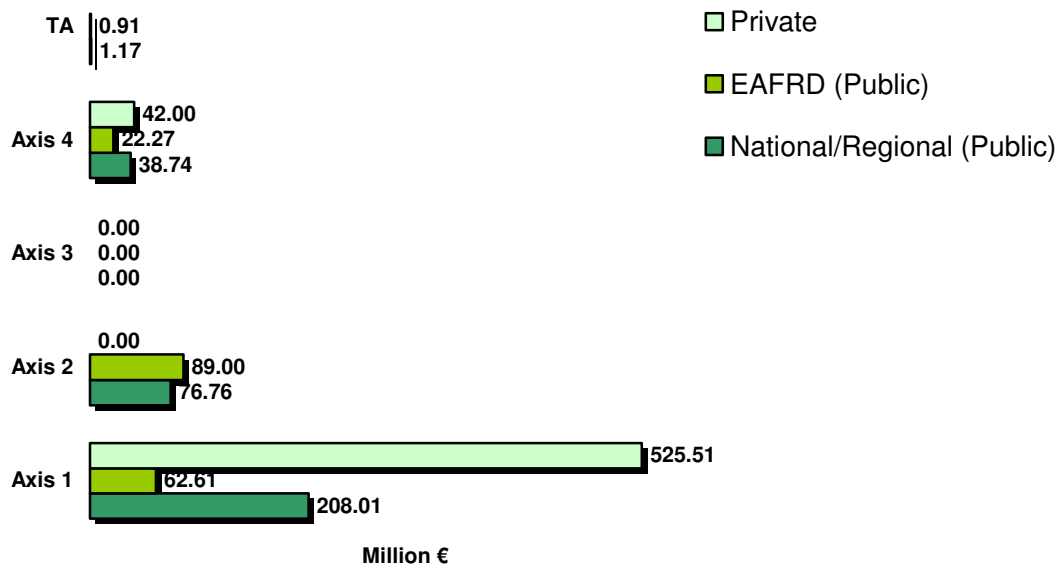
Expected socio-economic outcomes include the revitalisation of rural areas and mitigation of the impacts of demographic ageing (especially in disadvantaged rural areas), improved human resources skills, increased economic diversification, improvement of productive structures and innovation, increased value added of agricultural and forest products, sustainable agriculture, preservation of genetic diversity in agriculture and livestock production and overall improved quality of life in rural areas and increased attractiveness of rural areas (reduce depopulation trends). Expected environmental outcomes include improved effectiveness of water management (to address scarce water resources), better use and protection of natural spaces (especially protected ones), minimisation of risks and negative impacts of forest fires.

Expected impacts include:

- economic growth (up to 83,362,346 euro of additional gross value added);
- employment creation (e.g. 1,711 additional employment posts in the agrarian sector of the region, 1.865 employment posts in the whole agri-food industry)
- increases in labour productivity (922 and 998 euro of gross value added ;per worker in the agrarian sector and the agri-food industry respectively);
- reduction of biodiversity deterioration;
- maintenance of agriculture and forest areas of high natural value (expected to maintain 613,781 hectares under satisfactory management during 2007-2013);
- improvement in the quality of water (more than 20% reduction in the total balance of nitrates and more than 30% reduction in areas where organic farming and integrated production are developed);
- contribution to the fight against climate change (increased production of renewable energies: in 2007 alone support for 375 hectares of energy crops).

Expected impacts from 2009's RDP amendment concern the reduction of carbon dioxide (CO₂) emissions by saving energy and adaptation of agriculture to climate change. Modifications in output and results indicators are presented below under each axis.

RDP budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding) of €1,066,972,213



The RDP budget allocations are broadly divided into four main areas of expenditure, known as axes (namely: Improving the competitiveness of the agricultural and forestry sector; Improving the environment and the countryside; Quality of life in rural areas and diversification of the rural economy; and Leader). Approximately 75% of the overall RDP budget in Valencia is allocated to axis 1 (€796,132.7 million); approximately 16% is allocated to axis 2 (€165,762.9 million), no funding allocation to axis 3 and 10% to axis 4 (€103,000.0 million), with 0.2% available to fund Technical Assistance (€2,076.6 million).

Within axis 1, National/Regional public funding represents approximately 26% share of the axis funding; EAFRD 8%; and private funds 66%.

Within axis 2, National/Regional public funding represents approximately 46% share of the axis funding; EAFRD 54%; and no private funds.

Within axis 3, there is no funding allocated.

Within axis 4, National/Regional public funding represents approximately 38% share of the axis funding; EAFRD 22%; and private funds 41%.

Within technical assistance, National/Regional public funding represents approximately 56% share of the technical assistance funding and EAFRD 44%.

As a consequence of the RDP revisions in 2009, the Valencia region has been allocated an additional budget from the HC and the EERP totalling €7,881,961 (including €5,911,471 of EAFRD and a further €1,970,490 of regional/national public funds) focused on energy savings and an additional budget from the wine reform and modulation totalling €7,139,700 of EAFRD

focused on increasing the support of several axis 1 and 2 measures. The revision of the RDP also includes minor changes of technical nature to improve the implementation of the programme as well as the understanding of the measures by the beneficiaries, and to update legal references.

Axis Information²

Axis 1 objectives – Improving the competitiveness of the agricultural and forestry sector

The emphasis of this axis is on adding value to agricultural products (measure 123; 72% of total budget for axis 1), modernisation of agricultural holdings (measure 121; 15%) and the setting up of young farmers (measure 112; 10%).

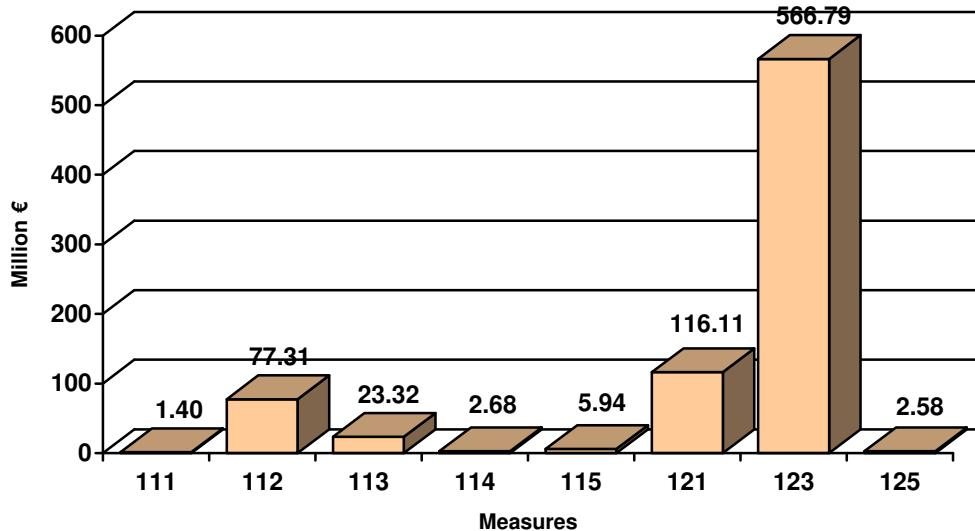
Result targets for axis 1 include 85% of farmers that have successfully completed training activities, 5%-20% (depending on the measure) increase in gross value added of supported agricultural holdings, up to 2,000 agricultural holdings that have introduced new products and/or techniques and 1,600 new employment posts created.

Specific modifications to output and result indicators have been made in order to take account of the amendments to the RDP. They comprise additional indicators for the new sub-measure 121.2 (Modernisation of agricultural holdings – high technology horticulture) and an update of indicators for measure 123 (adding value to agricultural holdings). More specifically, new result targets for sub-measure 121.2 include 10 holdings introducing new products or techniques, €1,000,000 increase of gross added value, 300 consolidated jobs, 10,000,000 thermal Kw recovered per year and 3,000 tm of CO₂ reduction captured. Updated result targets for measure 123 include an increase in the number of holdings introducing new products or techniques from 20 to 35 and a new environmental target of 30,000 tm of dry material used per year.

Strategic objectives	Specific objectives
Promote knowledge and improvement of human resources	<ul style="list-style-type: none"> - Incorporate new technologies in agricultural holdings - Improve income in rural areas in the context of sustainable development processes - Create employment opportunities and growth conditions in rural areas - Increase economic activity through viable rural enterprises - Improve performance and sustainable management of agri-holdings - Increase awareness of farmers on the environment, food security, health and animal welfare
Restructuring and development of the physical potential and promotion of innovation in the food chain	<ul style="list-style-type: none"> - Increase productivity and sustainability of agri-holdings (to improve competitiveness) - Improve the quality of life and work of farmers - Incorporate new technologies in productive processes - Increase sales and returns of the agri-food industry - Maintain the participation of the agri-food industry

of Valencia in the Spanish total
- Increase water savings

Axis 1 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €796,132,706



Following the 2009 RDP update, the total budget for axis 1 is €796,132,706 including an additional €7,881,961 from the HC/EERP (€5,911,471 EAFRD + €1,970,490 regional/national public funds) that is targeted at energy savings under measures 121 (modernisation of agricultural holdings) and 123 (adding value to agricultural products) and an additional €4,699,300 EAFRD from the wine reform and modulation that is targeted at several measures of axis 1. The additional HC/EERP funding intends to reinforce measures 121 (by creating a new sub measure 121.2 "Modernisation of agricultural holdings – high technology horticulture") and 123 (Processing and marketing of agricultural products). Sub-measure 121.2 is aimed at improving the sustainability as well as the energy efficiency of existing fruit and vegetables greenhouses of Comunidad Valenciana, by using cogeneration with natural gas as fuel source. The use of the energy generated will allow heating the greenhouses, which is essential during the winter and is directly related to achieving better (in quality and quantity) productions. Therefore, besides improving the economic efficiency of the holdings, this submeasure contributes to the reduction of the greenhouse gas emissions and to adapt agriculture to climate change. The reinforcement of measure 123 also intends to improve energy efficiency. It covers actions aimed at producing renewable energy and the use of biomass. The actions to be financed will focus on the processing of by products of the agro food industry and agricultural biomass for renewable energy production (which is to be used by the beneficiaries themselves).

The additional funds from the wine reform and modulation will allow for the continuation of the financial support within wine producing areas for measures 121.1 and 123, while also supporting measures 111 (Training and information actions), 112 (Setting-up of young farmers), 113 (Early retirement), 114 (Use of advisory services), 115 (Setting-up of advisory services) and 125 (Infrastructure related to the development and adaptation of agriculture

and forestry). Support will focus on budget reinforcement or maintenance of original total expenditure.

Axis 2 objectives - Improving the environment and the countryside

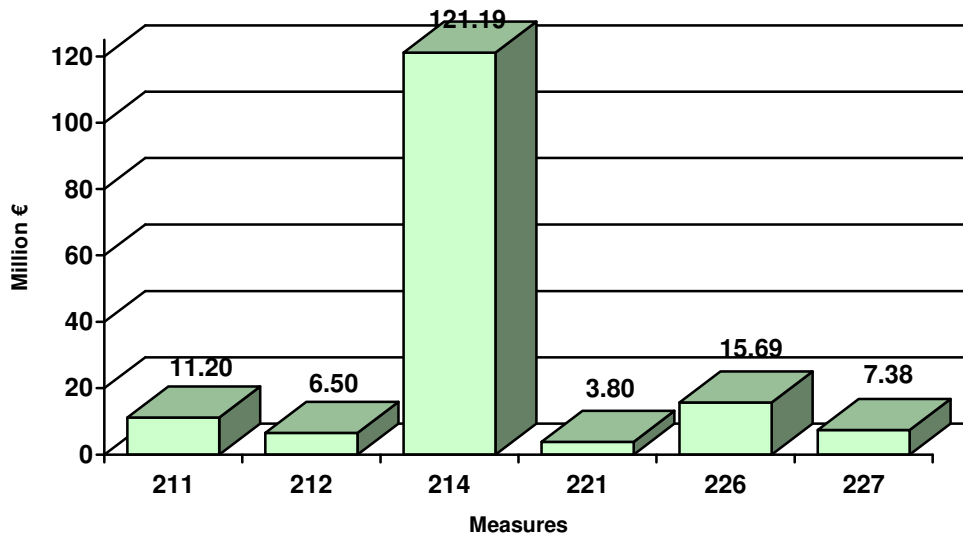
The emphasis of this axis is on agri-environment measures (measure 214; 73% of total budget for axis 2), restoring forestry potential and introducing prevention actions (measure 226; 9.5%) and Natural handicap payments to farmers in mountain areas (measure 211; 7%).

Result targets for axis 2 include a surface of at least 3,000 hectares under good soil management and between approximately 16,400 and 483,836 hectares (depending on the measure, with forestry measures having higher target figures) that contribute to improvement of biodiversity and agriculture of high natural value, improvement of water quality, fight against climate change, improvement of soil quality and avoiding land marginalisation and abandonment. Other result targets include a 20% reduction in forest fires in relation to the 1996-2005 period.

Specific modifications to output and result indicators have been made in order to take account of the amendments to the RDP. Result targets for measure 214 are increased as follows: the area under good soil management from 58,400 ha to 80,602 ha, the number of holdings in non mountainous disadvantaged areas from 350 to 1,560, the surface with agri-environmental measures in non mountainous disadvantaged areas from 4,200 ha to 17,250 ha and supported land in Natura 2000 and Natural Parks from 58,400 ha to 58,600 ha.

Strategic objectives	Specific objectives
Sustainable use of agricultural land	<ul style="list-style-type: none"> - Attract and maintain rural population in disadvantaged areas - Promote organic farming - Promote sustainable rice crops in wetlands - Support integrated production - Preserve autochthonous species under risk of extinction - Fight soil erosion - Improve biodiversity in apiculture
Sustainable use of forest land	<ul style="list-style-type: none"> - Reduce forest fires stemming from agricultural activity - Maintain the surface of areas affected by forest fires - Preserve the flora and fauna in Natura 2000 spaces

Axis 2 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €165,762,883



Following the 2009 RDP update, the total budget for axis 2 is € 165,762,883 including an additional €2,440,400 EAFRD from the wine reform and modulation that is targeted at several axis 2 measures, namely, 211 (Less favoured Areas in mountain areas), 212 (Less favoured Areas in non-mountain areas), 214 (Agri-environment payments), 221 (First afforestation of agricultural land), 226 (Restoring forestry potential and prevention actions) and 227 (Non productive investments). Support will focus on budget reinforcement or maintenance of original total expenditure, financing of new proposed products and extension of territorial implementation (to include Natura 2000 network areas of the region).

Axis 3 objectives - The quality of life in rural areas and diversification of the rural economy

Axis 3 measures are financed by axis 4.

Result targets for axis 3 include increase in the non-agricultural value added of supported entrepreneurial activity (5 million euro), 70-75 employment posts created, 1,000 additional number of tourists, 75,000 rural population benefiting from improved services and an increase of 1,000 in internet penetration in rural areas.

The values of indicators have generally been reduced as a result of the RDP revision. The above figures reflect the final targets.

Strategic objectives	Specific objectives
Diversification of the rural economy	<ul style="list-style-type: none"> - Support the creation and development of micro-enterprises - Promote tourism activities

-
- Improvement in the quality of life in rural areas
- Improve the provision of basic services to the rural population and the rural economy
 - Preservation and improvement of rural heritage
 - Regeneration and development of villages
-

As a result of the RDP revisions, there is no financial allocation to axis 3.

Axis 4 objectives - Leader

The emphasis of this axis is on quality of life and diversification (measure 413; 88% of total budget for axis 4) and the running of local actions groups (measure 431; 7%).

Result targets for axis 4 include 700 gross employment creation (7 employment posts under the coordination measure) and 50 successful results of training actions.

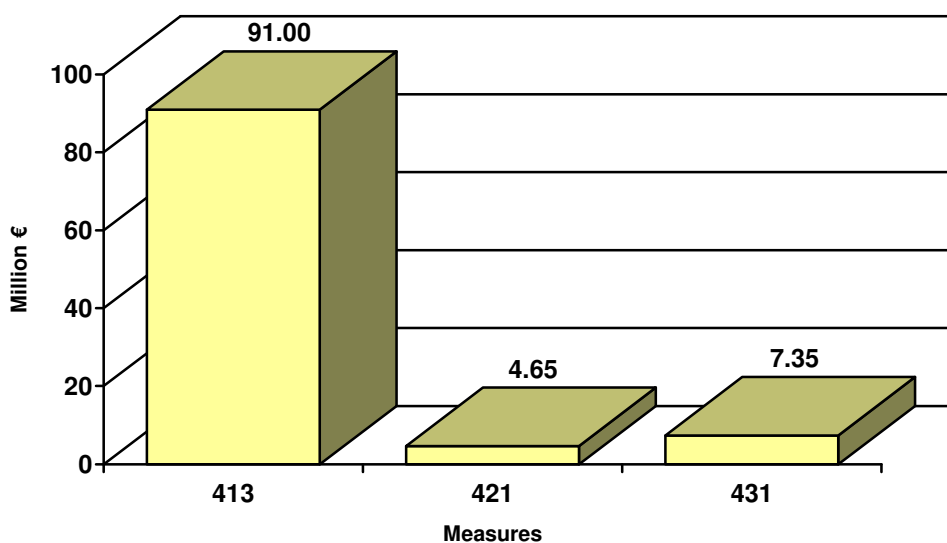
Specific modifications to output and result indicators have been made in order to take account of the amendments to the RDP. Besides the inclusion of new measure 431, there are new result targets of 700 employment posts created and 50 successful training results.

The main objectives of the application of the Leader approach comprise:

- Design and apply in internal rural areas undergoing demographic crisis a multi-annual sustainable development strategy aiming to achieve equal opportunities in the access to services, employment and wealth
- Promote rural networking and cooperation

The number of LAGs operational in the RDP areas as of March 2010 was 8.

Axis 4 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of € 103,000,000



There were no financial modifications in relation to axis 4 following the 2009 RDP update.

There is however one non-financial modification, namely the inclusion of a new measure 431 "Running Costs, skill acquisition and animation" (this measure was previously exclusively covered by regional funding and, therefore, was not included in the RDP). This measure will benefit Local Action Groups (LAGs). The Paying Authority will be responsible for processing the payments, which will accelerate the financial management of LAGs and LAGs will not have to request financial advances (bank guarantees) in order to finance their running costs. The objective of this new measure is to facilitate the implementation of the Leader LAGs, by financing their running costs, the training of rural agents and staff involved in the preparation and implementation of the strategy, skills acquisition and animation.

Monitoring and evaluation strategy

The RDP's monitoring system provides information on programme implementation through financial, output and result indicators. The Monitoring Committee uses this information to propose necessary amendments of the RDP for subsequent years.

The evaluation strategy comprises an interim and an ex-post evaluation to be carried out by independent evaluators. The objectives of the evaluations are to improve the quality and increase the effectiveness and efficiency of programme implementation. The evaluations use the output, results and impact indicators defined by the Common Monitoring and Evaluation Framework (CMEF) and some additional ones per measure in Axes 1, 2 and 4, covering aspects related to:

- Employment, size / number of farms, hectares reassigned to agricultural / non-agricultural use, farms in mountainous areas, certified entities offering advisory services, re-utilisation of waste water for irrigation purposes (axis 1)
- Size / number of farms in mountainous, non mountainous areas, Natura 2000 areas or natural parks (axis 2)
- Processed applications for the installation of new residents, tourist demand met (axis 4).

Communication and publicity

The communication plan includes three components and target groups:

- a) Dissemination of the RDP to potential beneficiaries;
- b) Information to actual beneficiaries about the EU contribution;
- c) Dissemination of results and the role of the EU to the general public.

Information to target groups will be distributed via the web site of the Agriculture, Fishing and Food Council of the regional administration of Valencia, periodical meetings with relevant stakeholders (local/regional authorities, professional organisations, social partners, NGOs, European information centres, European Commission representations in EU Member States), reports, studies and other paper or electronic publications, publicity campaigns (press, radio), the installation of signs/plaques/posters in beneficiary premises and Local Action Groups (LAGs).

Annex I – measures

Measures selected by the RDP		Measures selected by the updated RDP	
Axis 1 - Improving the competitiveness of the agricultural and forestry sector	<i>Promoting knowledge and improving human potential</i>	111	Vocational training and information actions
		112	Setting up of young farmers
		113	Early retirement
		114	Use of advisory services
		115	Setting up of management, relief and advisory services
	<i>Restructuring and developing physical potential and promoting innovation</i>	121	Modernisation of agricultural holdings
		122	Improvement of the economic value of forests
		123	Adding value to agricultural and forestry products
		124	Cooperation for development of new products, processes and technologies in the agriculture and food sector and in the forestry sector
		125	Infrastructure related to the development and adaptation of agriculture and forestry
		126	Restoring agricultural production potential
	<i>Quality of agricultural production and products</i>	131	Meeting standards based on EU legislation
		132	Participation of farmers in food quality schemes
		133	Information and promotion activities
	<i>Transitional measures</i>	141	Semi-subsistence farming
142		Producer groups	
143		Providing farm advisory and extension services	
Axis 2 - Improving the environment and the countryside	<i>Sustainable use of agricultural land</i>	211	Natural handicap payments to farmers in mountain areas
		212	Payments to farmers in areas with handicaps, other than mountain areas
		213	Natura 2000 payments and payments linked to Directive 2000/60/EC
		214	Agri-environment payments
		215	Animal welfare payments
		216	Non-productive investments
	<i>Sustainable use of forestry land</i>	221	First afforestation of agricultural land
		222	First establishment of agroforestry systems on agricultural land
		223	First afforestation of non-agricultural land
		224	Natura 2000 payments
		225	Forest-environment payments
		226	Restoring forestry potential and introducing prevention actions
		227	Non-productive investments
Axis 3 - Quality of life in rural areas and diversification of the rural economy	<i>Diversify the rural economy</i>	311	Diversification into non-agricultural activities
		312	Support for business creation and development
		313	Encouragement of tourism activities
	<i>Improve the quality of life in rural areas</i>	321	Basic services for the economy and rural population
		322	Village renewal and development
		323	Conservation and upgrading of the rural heritage
		331	Training and information
Axis 4 – Leader	<i>Implementing local development strategies</i>	341	Skills-acquisition and animation measure with a view to preparing and implementing a local development strategy
		411	Competitiveness
		412	Environment/land management
Axis 4 – Leader	<i>Implementing cooperation projects</i>	413	Quality of life/diversification
		421	Implementing cooperation projects
		431	Running the local action group, skills acquisition, animation