



## **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, and last modified on 1 December 2020. It outlines Valencia's priorities for using the € 450,7 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 € 65.8 million of additional national funding top-ups).

In order to improve the competitiveness of the farming sector, the Comunidad Valenciana's RDP aims to give investment support to 744 holdings to restructure and modernise their farms. 640 young farmers will also receive support to launch their businesses. The region will support training for 9 000 participants and will promote innovation through 30 cooperation projects. Restoring, preserving and enhancing ecosystems related to agriculture and forestry is also considered important with 22 530 ha of farmland and 9% of forestry coming under management contract to improve biodiversity. This also includes supporting the conversion or maintenance of organic farming on 40 900 hectares. Over 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 2<sup>nd</sup> Pillar of the Common Agricultural Policy, providing Member States with an envelope of EU funding to manage nationally or regionally, multi-annual, co-funded programmes. There are 114 programmes in the 27 Member States plus 4 programmes in the United Kingdom. The Rural Development Regulation for the 2014-2020 period addresses six economic, environmental and social priorities, and programmes contain clear targets setting out what is to be achieved. Moreover, in order to better coordinate actions 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.

The 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 one third of the agricultural area and extensive non-irrigated agriculture occupies the remaining 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 leads to a lack of know-how as well as part-time farming.

The unemployment rate was 27% in 2013 and over 50% among young people. Other challenges in the region are the low level of generational renewal in the primary sector, the risk of abandonment of farmland and the fragmentation of holdings. On the environmental side, the region faces problems of vulnerability to climate change (risk of flood, drought, fire), water scarcity as well as 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 briefly explained below:

### Knowledge transfer and innovation in agriculture, forestry and rural areas

This cross-cutting priority will be addressed mainly through measures supporting training: 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 farms in the region, while 640 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 390 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 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 9% of forestry will come under management contracts to improve biodiversity. This also includes supporting the conversion or maintenance of organic farming on 40 900 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 forestland 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:

- € 149.3 million allocated to Measure 4 – Investment in physical assets
- € 71.8 million allocated to Measure 10 – Agri-environment-climate
- € 58.7 million allocated to Measure 8 - Investment in forest area development and improvement of the viability of forests.
- € 54.2 million allocated to Measure 11 – Organic farming)
- € 44.6 million allocated to Measure 6 - Farm and business development (business start-up aid for young farmers

## 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>47 373 577</b>	<b>10.53</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	1.77
	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	35 023 577	7.77
<b>Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management</b>		<b>51 038 000</b>	<b>11.32</b>
3A: Improving competitiveness of primary producers 390 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	47 088 000	10.45
	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>169 970 500</b>	<b>37.71</b>
4A Biodiversity	04 investments	3 980 000	0.88
17.09% of forest/other wooded area under contracts	08 forest	50 206 500	11.14
3.43% of agricultural land under contracts	10 AEC	66 274 000	14.70
4B Water management	11 organic farming	32 532 000	7.22
2.81% of agricultural land under contracts	13 ANC	16 978 000	3.77
17.08% of forestry land under contracts			
4C Soil erosion and management			
1.12% of agricultural land under contracts			
17.08% 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>80 583 288</b>	<b>17.88</b>
5A Water efficiency	04 investments	43 090 454	9.56
5.59% of irrigated land switching to more efficient irrigation systems			
5C - Renewable energy	08 Forests	2 750 000	0.61
5 500 000 euros investment in renewable energy production			
5D - Reducing GHG and NH3	04 investments	4 533 333	1.01
0.08% of livestock units concerned by investments in livestock management in view of reducing the GHG and/or ammonia emissions	10 AEC	5 500 000	1.22
	11 organic farming	18 877 000	4.21
0.45% of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions			
5E Carbon conservation and sequestration	08 Forests	3 021 500	0.67
1.18% of agricultural and forest land under management contracts contributing to carbon sequestration or conservation	11 organic farming	2 711 000	0.60
<b>Priority 6: Social inclusion, poverty reduction and economic development in rural areas</b>		<b>88 605 613</b>	<b>19.66</b>
6A - Diversification, SMEs and job creation	01 knowledge	700 000	0.16
550 jobs created in supported projects	04 investments	42 602 667	9.45
	06 farm and business development	9 600 000	2.13
	08 Forests	2 750 000	0.61
6B Fostering local development	19 LEADER	32 952 947	7.31
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>		10 073 021	2.23
<b>Discontinued measures</b>		3 080 000	0.68
<b>Total public expenditure €</b>		<b>450 724 000</b>	<b>100.00</b>