

Cyprus' Rural Development Plan

Country profile:

- Size: 9,251 km²; out of which 5,899 km² are under effective control of the Republic of Cyprus.
- 689.565 inhabitants; 215.115 (31%) live in rural areas, the remaining 69% live in the urbanized areas of Nicosia, Limassol, Larnaca and Pafos.
- Unemployment rate of 4,7% is among the lowest by EU standards
- In 2003, approximately 45,199 agricultural holdings managed 153.300 hectares of cultivated land or 26% of the total surface.
- In addition to the agricultural land, 24% are forests and 30% other forest areas, 7% is abandoned land and the remaining 13% urban areas.
- Natura 2000 areas cover 14% (82.583 Ha) out of which the private owned is 15% mainly natural vegetation.
- Agriculture contributes to 3,1% of the GDP, 21,2% to the exports and employs 6,7% of the total workforce. Food industry contributes to 3,6% of the GDP, 15,9% to the exports and employs 3,7% of the total workforce.
- Almost 59% (82.800 Ha of agricultural land) of the total agricultural land and 313 communes are classified as less-favoured area

Chosen strategy:

The overall objectives were chosen in accordance with the Community Strategic Guidelines (CSG) and the National Strategy Plan and are:

- Strengthening the competitiveness of the agricultural and forestry sector, with emphasis on the products where Cyprus has a comparative advantage both within the internal market and third markets.
- Protection of the environment and enhancing biodiversity, sustainable use of natural resources and landscape conservation.
- Improving the quality of life of the rural population and encouraging diversification of the rural economy mainly in the mountainous and semi-mountainous areas.

These priorities are reflected on the financial weight of the competitiveness and the environmental axis (approximately 44% each).

Budget and share of funding

Total public expenditure: € 325 million of which € 162 million EAFRD¹ contribution (50%)

¹ EAFRD = European Agricultural Fund for Rural Development

Axis	Total Expenditure (in €)	Share of EAFRD (in %)	EAFRD Contribution (in €)
Axis 1	140,521,676	50%	70,260,838
Axis 2	141,143,400	50%	70,571,700
Axis 3	28,929,714	50%	14,464,857
LEADER	8,626,180	50%	4,313,090
Technical assistance	5,826,178	50%	2,913,089
Total	325,047,148	50%	162,523,574

Overall aim of the programme

- improving the competitiveness of the agricultural and agri-food sector,
- sustainable use of natural resources and landscape conservation,
- improving the quality of life of the rural population and encouraging diversification of the rural economy.

Axis 1: budget allocation and main priorities

EAFRD: € 70,260,838 - Total public funding: € 140,521,676

Aiming at the setting up of the young farmers, the modernization of agricultural holdings, the promotion of processing and marketing as well as adding value to agricultural and forestry products. The support for Cypriot agricultural products will be oriented towards exports promotion and towards a better adjustment to the continuous competitive pressures from similar products of neighbouring countries and other EU countries. Products of high quality will be targeted as well as products with high added value.

Axis 2: budget allocation and main priorities

EAFRD: € 70,571,700 - Total public funding: € 141,143,400

A range of agro-environmental measures including in the Natura 2000 areas, as well as compensatory payments to "Less Favourable Areas" are the two main priorities for this axis. Moreover, actions will be undertaken towards the protection of forests and to the further expansion of forest areas through the appropriated forest measures.

Axis 3: budget allocation and main priorities

EAFRD: € 14,464,857 - Total public funding: € 28,929,714

The proposed measures aim at reviving economic activity mainly in the mountainous and semi-mountainous regions via the support of entrepreneurship, promotion of education and acquisition of skills, conservation and upgrading of the rural and cultural heritage and the improvement of information flow.

LEADER budget allocation:

EAFRD: € 4,313,090 - Total public funding: € 8,626,180

The measure will contribute to the intensification of the endogenous developmental potential of the rural regions by promoting the cooperation and applying the bottom-up approach. The Leader actions can be implemented via all three axis of the programme: Axis 1 € 2,450,000, Axis 2 € 500,000 and Axis 3 € 3,750,000.

http://ec.europa.eu/agriculture/rurdev/index_en.htm