



Factsheet on 2014-2020 Rural Development Programme for the Canary Islands

The Rural Development Programme (RDP) for the Canary Islands was formally adopted by the European Commission on 25 August 2015, outlining the Canary Islands' priorities for using the € 185.3 million of public money that is available for the 7-year period 2014-2020 (€ 157.5 million from the EU budget and € 27.8 million of national co-funding).

The RDP for the Canary Islands focuses on six priority areas. In order to improve the competitiveness of the farm sector, nearly 800 agricultural holdings will get support to restructure and modernise their farms and support for young farmers to launch their businesses will be provided for an estimated number of 240 beneficiaries. The region will support training for more than 1 100 participants through different knowledge transfer and information actions. Restoring, preserving and enhancing of ecosystems related to agriculture and forestry is also considered important, with up to 56% of farmland to come under management contract to improve biodiversity, water management and soil management. Investments to promote energy efficiency will reach € 12 million and actions linked to renewable energies will amount to € 2.5 million. Almost 100% of the rural population in Canary Islands will be covered by a LEADER local development strategy and such strategies are expected to create 218 new jobs. Nearly 356 000 inhabitants of the Canary Islands will benefit from these local development initiatives.

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 the Canary Islands are facing will be 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.

The seven islands of the Canary Islands archipelago cover a total area of 7 447 km² (1.4% of the Spanish territory), of which nearly 50% is considered to be rural, although substantial differences may be observed among the different islands: whereas on the one

hand La Gomera and El Hierro are predominantly rural, on the other hand Tenerife and Gran Canaria are highly urbanised. Of the total area of the Canary Islands archipelago, farmland covers 55 070 hectares, out of which 44.5% is devoted to permanent grasslands, 29.5% to permanent cultures and 25.9% is arable land. The region is home to 2 105 234 people, with an average density of 281.4 inhabitants/km². However, rural areas are rather depopulated, as only 1.5% of the total population actually lives in them, with an average population density of just 50 inhabitants/ km². These figures provide an idea of the marked urban character of the Canary Islands, due mainly to the development of tourism related activities and services.

A key socio-economic strength is the fact that although agriculture and forestry represent nowadays only 1.4% 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. Farms in the Canary Islands tend to be relatively small, with an average area of less than 4 hectares per holding. Agriculture in the Canary Islands is specialized towards out-of-season tropical fruits and fruit and vegetables. Bananas are still the most important crop, with Tenerife being the leading producer island. Annual production of bananas in the Canary Islands is currently stabilised around 150 000 metric tonnes per year, covering almost 4 500 hectares. Tomatoes, flowers, potatoes, vineyards and tropical fruits -mainly avocado- are also important productions in the region.

The unemployment rate in the region is rather higher (nearly 30% in 2014), particularly amongst young people (more than 50% in 2014). The ageing of the population, coupled with the exodus of young people from rural areas in search of job opportunities in urban areas, has led to continuous land abandonment. The average age of active farmers in the Canary Islands is rather high as, at present, 64% of them are 55 years or older.

2. HOW THE CANARY ISLANDS' RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, the Canary Islands' 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 1 100 participants will be trained and 228 co-operation projects implemented.

Farm viability, competitiveness of agri sector, promoting innovative farm technologies and sustainable forest management

This priority will be addressed mainly through measures supporting some investments in physical assets and 5.6 % of farms will receive funding for investments focused on restructuring and modernisation. Nearly 2 % 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

Public support allocated under this priority will provide funding for almost 6% of the farmers to participate in quality schemes, local markets and short supply chains. In addition, more than 800 investments will be supported for processing and marketing of agricultural products.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Around 20% of the amounts allocated by the RDP will be used for area-based payments to farmers for using environment/climate friendly management practices. To this end,

nearly 56 % of the region's agricultural holdings will come under management contracts to improve biodiversity, water management and soil management.

Resource efficiency and supporting the shift towards a low carbon and climate resilient economy

Investments aimed at obtaining higher energy efficiency will amount up to € 12 million, and projects for the development of renewable energies will receive a support of € 2.6 million during the 7-year period 2014-2020. Funding will be granted for projects aimed at increasing water efficiency and, by the year 2020, it is expected that nearly 11 % of the utilised agricultural area (UAA) of the Canary Islands will see its extraction and irrigation systems modernised and improved. These investments, together with reinforced monitoring of water usage will help to further save and re-use the scarce water resources of the region.

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 356 000 inhabitants in rural areas of the Canary Islands will benefit from these local initiatives, which will also create more than 200 new jobs in LEADER supported projects.

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

- € 89.4 million allocated to Measure 4: Investments in physical assets
- € 17.8 million allocated to Measure 8: Forestry
- € 16.1 million allocated to Measure 7: Basic services for rural areas
- € 15.7 million allocated to Measure 10: agri-environment-climate

Annex 1: Indicative public support for the Rural Development Programme in the Region of the Canary Islands

| Target | Measure | € Total public | % |
|--|-------------------------------------|-------------------|--------------|
| Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas¹ | | | |
| 1A: Fostering innovation, cooperation, knowledge base 6.34 % of RDP expenditure | 01 knowledge | | |
| | 02 advisory | | |
| | 16 cooperation | | |
| 1B: Strengthening links (with research etc.) 228 cooperation projects | 16 cooperation | | |
| 1C: Training 1 103 participants trained | 01 knowledge | | |
| Priority 2: Farm viability, competitiveness and sustainable forest management | | 45 382 916 | 24.63 |
| 2A: Economic performance, restructuring & modernisation 5.59 % of holdings with RDP support | 01 knowledge | 62 867 | 0.03 |
| | 02 advisory | 154 412 | 0.08 |
| | 04 investments | 24 674 357 | 13.39 |
| | 16 cooperation | 1 297 059 | 0.70 |
| 2B: Generational renewal 1.69 % of holdings with RDP supported business development plan/investments for young farmers | 01 knowledge | 62 867 | 0.03 |
| | 02 advisory | 154 412 | 0.08 |
| | 04 investments | 4 338 707 | 2.35 |
| | 06 farm and business development | 13 341 176 | 7.24 |
| | 16 cooperation | 1 297 059 | 0.70 |
| Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management | | 4 881 616 | 2.65 |
| 3A: Improving competitiveness of primary producers 5.94 % of farms supported 841 supported investments for processing and marketing of agricultural products | 01 knowledge | 62 867 | 0.03 |
| | 02 advisory | 154 412 | 0.09 |
| | 03 quality schemes | 1 852 941 | 1.05 |
| | 16 cooperation | 741 176 | 0.42 |
| 3B: Risk management 0.71 % of farms supported | 01 knowledge | 62 867 | 0.04 |
| | 02 advisory | 154 412 | 0.09 |
| | 05 Restoring agricultural potential | 1 852 941 | 1.05 |

¹ No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas.

| | | | |
|---|----------------------------------|-------------------|--------------|
| Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry² | | 37 718 073 | 20.47 |
| 4A Biodiversity | 01 knowledge | 188 603 | 0.10 |
| 55.93 % of agricultural land under contracts | 02 advisory | 463 235 | 0.25 |
| 1.69 % of forest/other wooded area under contracts | 04 investments | 1 852 941 | 1.01 |
| 4B Water management | 08 forest | 14 942 118 | 9.56 |
| 55.93 % of agricultural land under contracts | 10 AEC | 17 610 353 | 8.55 |
| 1.69 % of forestry land under contracts | 11 organic farming | 1 852 941 | 1.01 |
| 4C Soil erosion and management | | | |
| 55.93 % of agricultural land under contracts | | | |
| 1.69 % of forestry land under contracts | | | |
| Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors | | 44 680 709 | 24.25 |
| 5A Water efficiency | 01 knowledge | 196 280 | 0.11 |
| 10.75 % of irrigated land switching to more efficient irrigation systems | 02 advisory | 154 412 | 0.08 |
| | 04 investments | 26 875 356 | 14.59 |
| 5B - Energy efficiency | 01 knowledge | 196 280 | 0.11 |
| € 12 million in investment projects introducing high efficiency equipment or in-house renewable sources of energy for self-consumption | 02 advisory | 154 412 | 0.08 |
| | 04 investments | 10 828 292 | 5.88 |
| | 07 basic services | 77 824 | 0.04 |
| | 16 cooperation | 74 118 | 0.04 |
| 5C - Renewable energy | 01 knowledge | 196 280 | 0.11 |
| € 2.7 million of public expenditure aimed at cooperation which is intended to promote the use of renewable energy | 02 advisory | 154 412 | 0.08 |
| | 04 investments | 1 933 871 | 1.05 |
| | 06 farm and business development | 148 235 | 0.08 |
| | 08 forest | 142 306 | 0.08 |
| | 16 cooperation | 74 118 | 0.04 |
| 5D - Reducing GHG and NH3 | 01 knowledge | 196 280 | 0.11 |
| 5 % of livestock units concerned by investments in view of reducing GHG and/or ammonia emissions | 02 advisory | 154 412 | 0.08 |
| | 04 investments | 1 735 482 | 0.94 |
| | 16 cooperation | 74 118 | 0.04 |
| 5E Carbon conservation and sequestration | 01 knowledge | 418 633 | 0.23 |
| 53 cooperation projects contributing to carbon sequestration and conservation (focus area 5E) | 02 advisory | 154 412 | 0.08 |
| | 16 cooperation | 741 176 | 0.40 |

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

| | | | |
|---|----------------------------------|--------------------|---------------|
| Priority 6: Social inclusion, poverty reduction and economic development in rural areas | | 46 954 502 | 25.48 |
| 6A - Diversification, SMEs and job creation 71 jobs created in supported projects | 01 knowledge | 62 867 | 0.03 |
| | 04 investments | 17 958 339 | 9.75 |
| | 06 farm and business development | 1 334 118 | 0.72 |
| | 08 Forests | 35 576 | 0.02 |
| | 16 cooperation | 988 235 | 0.5 |
| 6B Fostering local development 98.25 % rural population under local development strategies 99.55 %percentage of rural population benefiting from improved services/infrastructures 218 jobs created (via LEADER) | 01 knowledge | 62 867 | 0.03 |
| | 07 basic services | 15 953 823 | 8.66 |
| | 19 LEADER | 9 524 118 | 5.17 |
| 6C ICT 0.28 % of population benefiting of new or improved ICT cooperation projects | 01 knowledge | 46 324 | 0.03 |
| | 16 cooperation | 988 235 | 0.54 |
| Technical Assistance | | 4 632 352 | 2.51 |
| Total public expenditure € | | 185 294 117 | 100.00 |