



## **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, as last modified on 31 January 2018, 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 km<sup>2</sup> (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/km<sup>2</sup>. 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/ km<sup>2</sup>. 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	%
<b>Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas<sup>1</sup></b>			
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		
<b>Priority 2: Farm viability, competitiveness and sustainable forest management</b>		<b>45 571 453</b>	<b>24.05</b>
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	24 862 894	12.88
	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	2.34
	06 farm and business development	13 341 176	7.20
	16 cooperation	1 297 059	0.70
<b>Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management</b>		<b>4 881 616</b>	<b>2.63</b>
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	0.08
	03 quality schemes	1 852 941	1.00
	16 cooperation	741 176	0.40
3B: Risk management 0.71 % of farms supported	01 knowledge	62 867	0.03
	02 advisory	154 412	0.08
	05 Restoring agricultural potential	1 852 941	1.00

<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>37 718 074</b>	<b>20.36</b>
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	1.00
4B Water management	08 forest	17 610 353	9.50
55.93 % of agricultural land under contracts	10 AEC	15 750 000	8.50
1.69 % of forestry land under contracts	11 organic farming	1 852 941	1.00
4C Soil erosion and management			
55.93 % of agricultural land under contracts			
1.69 % 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>44 806 707</b>	<b>24.18</b>
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	14.50
	16 cooperation	74 117	0.04
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	5.84
	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	1.04
	06 farm and business development	148 235	0.08
	07 basic services	51 882	0.03
	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

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

53 cooperation projects contributing to carbon sequestration and conservation (focus area 5E)	02 advisory	154 412	0.08
	16 cooperation	741 176	0.40
<b>Priority 6: Social inclusion, poverty reduction and economic development in rural areas</b>		<b>48 683 914</b>	<b>26.27</b>
6A - Diversification, SMEs and job creation 71 jobs created in supported projects	01 knowledge	62 867	0.03
	04 investments	17 958 339	9.69
	06 farm and business development	1 334 118	0.72
	08 Forests	35 576	0.02
	16 cooperation	988 235	0.53
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	8.61
	16 cooperation	1 729 412	0.93
	19 LEADER	9 524 118	5.14
6C ICT 0.28 % of population benefiting of new or improved ICT cooperation projects	01 knowledge	46 324	0.03
	16 cooperation	988 235	0.53
<b>Technical Assistance</b>		<b>4 632 353</b>	2.50
<b>Total public expenditure €</b>		<b>185 294 117</b>	<b>100.00</b>