

## Rural Development Programme (RDP) of the Balearic Islands, Spain

### Programa de Desarrollo Rural de las Illes Balears 2007-2013 – April 2010<sup>1</sup>

(Rural Development Programme of the Balearic Islands)

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**Map of Illes Balears**  
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### Other useful links:

Rural Development Programme (RDP):

<http://www.mapa.es/es/desarrollo/pags/programacion/programas/programas.htm>

National Strategic Plan (NSP):

[http://www.mapa.es/es/desarrollo/pags/programacion/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/RedRuralNacional/Presentacion/presentacion.htm>

## General socio-economic situation in rural areas in the Balearic islands

The archipelago of the Balearic Islands with a total surface of 4,991.7 km<sup>2</sup> is located at the east of the Iberian Peninsula. It is composed of the islands of Mallorca, Menorca and Pitiüsas -Eivissa and Formentera- and a series of small islets such as Cabrera and Dragonera in Mallorca and Canillera and Vedrá in Pitiüsas, the whole complex of islands with a coastal length of 1,428 Km. The Balearic islands represent 0.94% of the Spanish territory and a population of 1,030,650 inhabitants representing 2.3% of the Spanish population (2007). RDP data shows that rural areas occupy 29.6 % of the regional territory (48 out of a total of 67 municipalities are classified as rural) and 29.6% of the population lives in the areas classified as rural. RDP baseline data indicates that GDP per capita was 109% of the Spanish average and the unemployment rate was 7.5% (lower than the Spain average of 8.7%).

Socio-economic strengths include buoyant tourism development in coastal areas (services account for around 70% of employment) while the interior of the islands is focused on agriculture and benefits from a growing agri-food industry (1.7% of the region's GDP) orientated towards products with quality labels, high potential for rural tourism as an alternative to the traditional sun-and-sea tourism, high value rural heritage that is protected, promotion of organic and integrated agricultural and livestock production that bring value added to an internal production that cannot compete in international markets due to insularity.

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<sup>1</sup> Latest updated RDP, following the adoption of the Health Check and European Economic Recovery Package and additional funds from Modulation (i.e. adjustments between Pillar 1 (Agriculture) & 2 (Rural Development) of the Common Agricultural Policy (CAP).

The main problems for the agricultural sector in the region come from its insularity. Insularity and double insularity (territory fragmented into several islands) lead to increased costs for inputs and to decrease in competition for output. In addition, the reduced size of the territory and the overwhelming influence of tourism in all activities also impose several and specific constraints. Development of the agricultural sector and of its occupied population is stagnant, accompanied with a reduction in relative terms of gross value added, intensifying in practice the scarce contribution of the sector to employment generation and economic activity.

In terms of the environment, the Natura 2000 network has been increasing over the last years (19.7% of the territory according to the RDP) with areas rich in natural value and biodiversity. The island of Menorca was declared as a UNESCO Biosphere Reserve. The most important environmental problems are the process of deterioration of the soil as a result of erosion and water scarcity and a high proportion of areas classified as less favoured (41.7 % of the agricultural surface).

### **RDP strategic objectives**

The main objectives of the RDP are the improvement of the competitiveness of the agri-food sector, the promotion of sustainable agriculture and forestry and the identification of new opportunities in the rural areas.

RDP priorities and objectives comprise:

- 1) Improving the competitiveness of the agricultural, forestry and agri-food sectors.
- 2) Improving the environment and the rural environment.
- 3) Economic diversification and improvement of the quality of life in rural areas.

The programme will contribute specifically to overcome the geographic isolation and insularity of the region and promote agricultural and non-agricultural economic activities in rural areas which currently suffer tourism and urbanisation pressures, as well as promote improvements in the natural and rural environment.

Following the CAP Health Check (HC) and the European Economic Recovery Package (EERP), 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 particular emphasis on the environmental challenges of water management and biodiversity. Biodiversity is stressed as a key focus in order to improve the availability of nutrients in plants and reduce nitrous oxide emissions. Biodiversity projects received 76% of the new funds.

The choice of water management amongst the new challenges is justified by the context of the Balearic archipelago, faced with water resource supply problems and where extra effort on the part of public administration is required in order to ensure sustainability in the use of water. Water management projects received 24% of the new funds.

In addition, funds previously allocated to support the Common Market Organisation (CMO) for the wine sector are being reallocated to innovation in the agriculture sector and to reinforce the wine sector.

## Expected impact / outcomes of the policies

Expected socio-economic outcomes include reversing the impacts of geographic isolation and insularity, overcoming the territorial imbalances stemming from the concentration of employment and economic activity, increased importance of the agricultural sector and diversification towards non-agricultural economic activities (including rural tourism), increased value added of autochthonous agrarian products as a strategy to improve competitiveness, modernisation of agricultural holdings, increased number of initiatives that promote and protect rural heritage, strengthened entrepreneurial spirit, increased access to information, innovation and knowledge transfer, improvements in basic rural infrastructure, conservation of rural heritage and generally increasing the attractiveness of rural areas in combination with rural development strategies with increased local participation and governance.

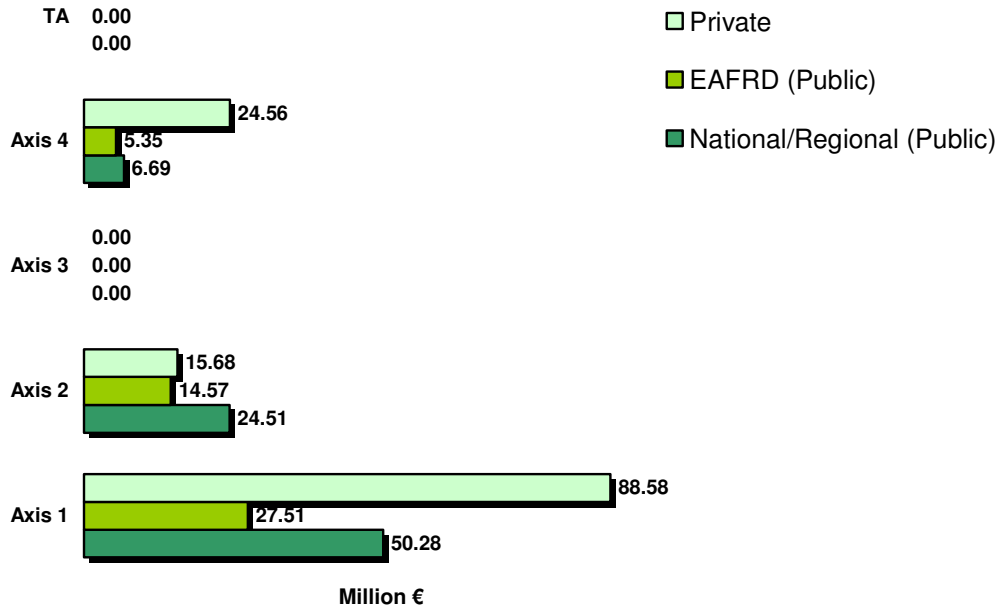
Expected environmental outcomes include minimisation of climate change impacts, optimisation of water resources and improvements in irrigation and water supply systems, improved use of sustainable energy infrastructures, maintenance of traditional rural landscapes and preservation of high natural value agrarian spaces and habitats, prevention of natural catastrophes and generally a combination of economic development with environmental sustainability.

Expected RDP impacts include:

- economic growth;
- employment creation;
- increases in labour productivity;
- reduction of biodiversity deterioration;
- maintenance of agriculture and forest areas of high natural value;
- improvement in the quality of water;
- contribution to the fight against climate change.

Specific modifications to output, result and impact indicators have been made to take account of the 2009 RDP alterations. These are related to the improvement in water management (e.g. modernisation of irrigation, savings in water consumption) the conservation of types of vegetations rich in species and the maintenance of fields, the conservation of genetic diversity. Detailed information on indicators for individual measures is provided in the RDP indicator tables.

## RDP budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding) of €257,723,869



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 65% of the overall RDP budget in the Balearic islands is allocated to axis 1 (€166.4 million); Approximately 21% is allocated to axis 2 (€54.8 million) and 14% to axis 4 (€36.6 million), with no RDP allocation to Technical Assistance, while axis 3 activities are financed totally by axis 4 (Leader).

Within axis 1, National/Regional public funding represents approximately 30% share of the axis funding; 17EAFRD %; and private funds 53%.

Within axis 2, National/Regional public funding represents approximately 45% share of the axis funding; EAFRD 27%; and private funds 29%.

Axis 3 is financed totally by axis 4 (Leader).

Within axis 4, National/Regional public funding represents approximately 18% share of the axis funding; EAFRD 15%; and private funds 67%.

There is no RDP allocation to technical assistance.

Following the 2009 changes the Balearic Islands RDP holds a total budget of €257,723,869 (including €47,427,928 EAFRD and a further €81,483,441 regional/national public funds and €128,812,500 private funds) to support in particular the 'new challenges' of water management and biodiversity.

## Axis Information<sup>2</sup>

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

The emphasis of this axis is on farm modernisation (measure 121, 40% of total axis 1 budget), adding value to agricultural and forestry products (measure 123, 37%) and setting up of young farmers (9%, measure 112).

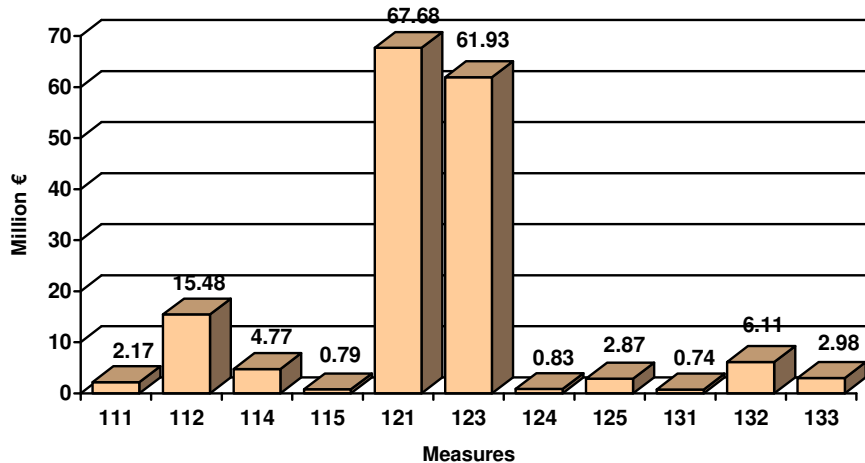
Strategic objectives	Specific objectives
Promote knowledge and improve human potential	<ul style="list-style-type: none"> <li>- Ensure technical and economic capacity building and knowledge</li> <li>- Establish young farmers</li> <li>- Improve sustainable management of agricultural holdings</li> <li>- Improve and facilitate management and improve development through the promotion of human potential</li> </ul>
Restructure and develop the physical potential and promote innovation	<ul style="list-style-type: none"> <li>- Improve economic development of farms through better use of the production factors</li> <li>- Improve the process and marketing of agrarian products</li> <li>- Improve competitiveness in relation to market opportunities through innovation</li> <li>- Improve infrastructure</li> </ul>
Improve quality of production and agrarian products	<ul style="list-style-type: none"> <li>- Promote a faster implementation of quality standards</li> <li>- Promote the participation of farmers in food quality programmes</li> <li>- Improve the knowledge of consumers about quality schemes</li> </ul>

Result targets for axis 1 include 85% of farmers that have successfully completed training activities, 6%-10% (depending on the measure) increase in gross value added of supported agricultural holdings, 40 projects that introduce new products and/or techniques, 5 enterprises that introduce new products and/or techniques, 15 Hm<sup>3</sup> of regenerated water per project / Hm<sup>3</sup> of underground water for irrigation, 765 farms that participate in quality programmes, 15 M euro value of subsidised agrarian production that is regulated by quality labels or recognised quality norms.

There were no changes to output and result indicators as a result of the 2009 RDP revisions.

<sup>2</sup> A full list of the RDP measures can be found in Annex I.

**Axis 1 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €166,364,986 - indicative**



Following the RDP latest update, the total budget amount for axis 1 is €166,364,985. This includes €525,000 of additional EAFRD that is targeted at increasing water savings (measure 125.1) through consolidation and improvement of existing irrigation systems (improved / more efficient infrastructure) in already irrigated lands. Since the objective is water savings, no increase in irrigated surfaces is foreseen. An additional €682,920 EAFRD will be allocated to measure 121 (modernisation of agricultural holdings) stemming from modulation and from a transfer of funds from measures 125 and 214 to measure 121. The objective of this additional funding is to reinforce this measure given the high demand experienced for it and the innovation efforts of the agricultural sector in Balears with a view to increase efficiency and competitiveness. Finally, an additional €65,200 EAFRD from the wine reform is allocated to reinforce actions in the wine sector under measure 123 (adding value to agricultural products).

**Axis 2 objectives - Improving the environment and the countryside**

The emphasis of this axis is on agri-environment measures (measure 214), non-productive investments (measure 216) and restoring forestry potential and introducing prevention actions (measure 226).

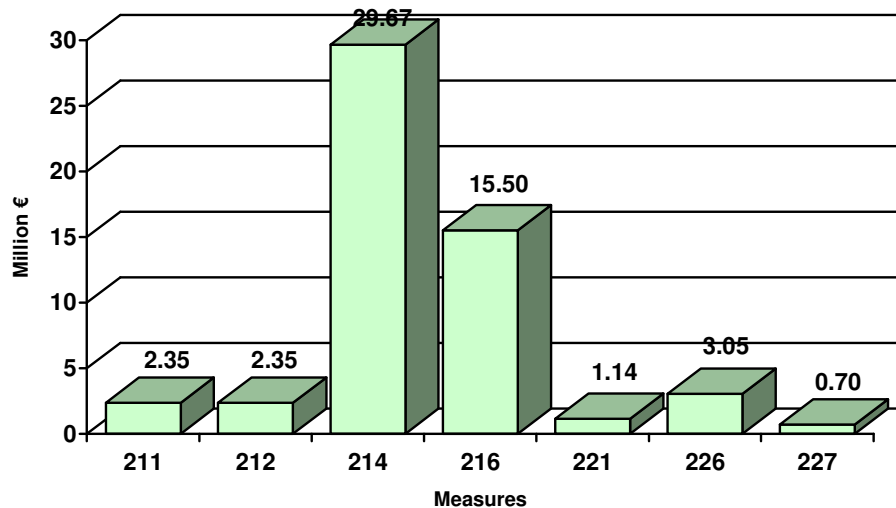
Strategic objectives	Specific objectives
Use agricultural land in a sustainable manner	<ul style="list-style-type: none"> <li>- Contribute to the continued use of agricultural soil in mountainous areas</li> <li>- Contribute to the continued use of agricultural soil in other areas with natural handicaps</li> <li>- Help farmers face specific disadvantages as a result of the implementation of the Natura 2000 and Water Framework Directives</li> <li>- Respond to the increasing demand for environmental services</li> <li>- Support agri-environmental compromises</li> </ul>

Use forest land in a sustainable manner	<ul style="list-style-type: none"> <li>- Extend forest resources to agricultural land</li> <li>- Overcome the specific restrictions that forest farmers are facing</li> <li>- Restore the forest potential and introduce preventive actions in forests</li> </ul>
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Result targets for axis 2 forestry measures include up to 80% of surface that contributes 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.

RDP changes in 2009 led to amended targets under measure 214.1 (organic agriculture and livestock production) 220 supported farms, surface covered by agri-environment payments to 7.500 ha and 450 ha of surface dedicated to organic farming in Natura 2000 areas (according to Balears this figures were over calculated so they corrected the figures in the RDP tables and measure fiche).

**Axis 2 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €54,759,192 - indicative**



Following the revisions to the RDP, total budget allocation under axis 2 is €54,759,191. Modifications to funding under this axis during 2009 included further support for measure 214 (Agri-environmental payments) of €2,234,015 (€1,675,511 EAFRD and €558,504 national/regional public) destined to organic agriculture and livestock farming (sub-measure 214.1) and the protection of varieties under risk of genetic erosion (sub-measure 214.4). Both sub-measures respond to the "new challenge" of biodiversity. More specifically, operations under measure 214.1 aim at a better availability of nutrients and a reduction in nitrogen oxide emissions. Compulsory training under this measure leads to increased awareness of farmers and as a consequence greater efficiency in interventions to maintain biodiversity. Operations under measure 214.4 aim to promote the use of autochthonous

varieties under risk of extinction so as to conserve genetic diversity and contribute to the balance of ecosystems. Some further non-financial amendments under axis 2 (measures 214 and 216) concern the responsibilities and minimum conditions for beneficiaries, the parameters for the calculations of the grant and references to norms.

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

The main priority is quality of life and diversification of the economy. Axis 3 operations are implemented through Leader financed by the axis 4 budget.

Strategic objectives	Specific objectives
Diversify the rural economy	<ul style="list-style-type: none"> <li>- Diversify agrarian activities towards non-agrarian activities</li> <li>- Promote non-agrarian activities and employment</li> </ul>
Improve quality of life in rural areas	<ul style="list-style-type: none"> <li>- Improve basic services</li> <li>- Invest to increase the attractiveness of the rural areas</li> </ul>

Result targets for axis 3 include 5% increase in the non-agricultural value added of supported entrepreneurial activity, 700-750 employment posts created, 150-200 (depending on the measure) gross employment posts created, 450,000 rural population benefiting from improved services, 450 participants that complete training satisfactorily.

There were no changes to axis 3 indicators as a result of the 2009 RDP revision.

***Axis 3 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €0***

Axis 3 actions are financed by axis 4 (Leader).

***Axis 4 objectives - Leader***

This axis is devoted to the implementation of measures from axis 3. The main emphasis of this axis is on quality of life and diversification of the economy (95% of total axis 3 budget).

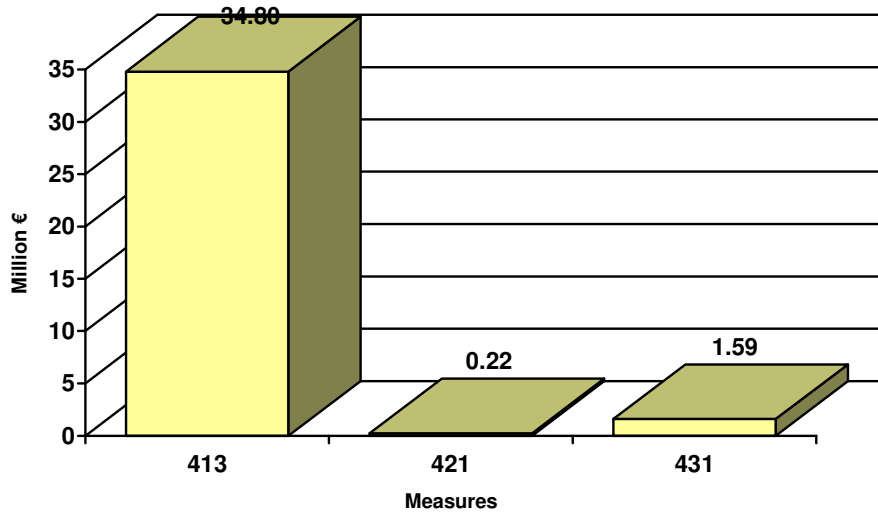
Result targets for axis 4 include creation of up to 500 gross employment, 200 training actions completed and 10 training actions completed for the acquisition of capacities on the Leader method.

Number of LAGs operational in the RDP areas as of March 2010 was three.

There were no changes to axis 4 indicators as a result of the 2009 RDP revision.



**Axis 4 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €36,599,692 - indicative**



Following the 2009 RDP revisions, €550,000 has been transferred from measures 125 and 214 to axis 4 in order to reinforce its implementation.

### Monitoring and evaluation strategy

The monitoring system provides information on programme implementation through financial, output, result and impact indicators. A database for recording data and follow-up the indicators has been created. The indicators are used to inform monitoring reports (six-monthly interim and annual monitoring reports) as well as the interim and final evaluation of the programme. The Monitoring Committee use this information to propose necessary amendments of the RDP for subsequent years.

The programme is subject to a continuous evaluation (carried out by independent evaluators) which produces an interim evaluation report in 2010 and a final evaluation report in 2015. The objectives of the evaluations are to examine the evolution of the programme in relation to the achievement of the objectives, to improve the quality and implementation of the programme and to inform decisions on possible changes to the programme.

The evaluations use the output, results and impact indicators defined by the Common Monitoring and Evaluation Framework (CMEF) and some additional result and impact ones per measure in axes 1 and 2, covering aspects related to:

- Number of consultations in the agrarian web portal, Hm3 of regenerated water per project, number of beneficiary farms (axis 1)
- Surface (m<sup>2</sup>) of dry stone walls and terraces, number of interventions in terraces, Natura 2000 surface affected, investment in the tendency to biodiversity loss, evolution of the population of birds, % of agricultural and forest land of high natural value maintained (axis 2).

## Communication and publicity

The communication plan comprises three components and target groups:

- a) Dissemination of the RDP to potential beneficiaries, professional organisations, economic, social and environmental agents, organisations that promote equal opportunities, and NGOs;
- 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 general and specific dissemination systems. General systems comprise dissemination in the press and radio, elaboration of a leaflet and a booklet of the programme. Specific systems include sectoral and thematic meetings, a new agrarian web portal and detailed dissemination and publicity at local level by LAGs in their intervention areas. Other dissemination options are suggested by the consulted agents so that economic and social agents and professional agrarian organisations participate in dissemination activities.

## Annex I – Measures

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