

Rural Development Programme (RDP) of Madeira, Portugal

PRODERAM – Programa de Desenvolvimento Rural da Região Autónoma da Madeira 2007-2013
(*Rural Development Programme 2007-2013: for a long term sustainable rural development*)¹

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<http://www.sra.pt/>

Other useful links:

Rural Development Programme (RDP):

<http://www.sra.pt/madeiramaisrural/>

National Strategy Plan (NSP):

<http://www.gpp.pt>

Portuguese National Rural Network (NRN):

<http://www.rederural.pt/>



Map of Azores and Madeira
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General socio-economic situation in rural areas in the Madeira region

Madeira, officially named *Região Autónoma da Madeira*, has a population of around 250,000 people, covering a territory of 828 km². Located in the middle of the Atlantic Ocean, southwest of mainland Portugal and approximately 360 nautical miles west from the coast of Morocco it is an archipelago comprised by Porto Santo, Ilhas Desertas, Ilhas Selvagens and Madeira (the main island). The entire territory is classified as a less-favoured area. The GDP per capita is on average approximately 20% higher than the national average and around 9% lower than the average in the EU-27. The regional unemployment rate is 6.8%, with lower rates for men (5.4%) compared to women (6.5%). Agriculture makes up only 5% of land use whereas forestry covers the greatest proportion of land (66%). Up to 47% of its land is above 700m in altitude and over 65% is tilted and not appropriate for agriculture. The main concerns underlined by the RDP of Madeira include: the promotion of sustainability and quality in agriculture through the enhancement of generational renewal, modernisation of agriculture, training of farmers, recovery of rural areas, creation of infrastructures and promotion of the economic diversification in rural areas.

The main weaknesses of rural areas in Madeira include unfavourable topography, small property size and poor farming structures leading to low economic activity in rural areas, limited regional production, and mechanisation difficulties. In terms of population and employment rural areas are characterised by an exodus of people to urban areas, having a large proportion of unqualified

¹ Latest updated RDP, following the adoption of the Health Check and European Economic Recovery Package and additional funds from Modulation.

farmers and weak professional organisations. On the other hand, rural areas in Madeira have also some important strengths (supported through the RDP) including the existence of vast rural areas (81.4% of the territory), which comprise some rich and diverse areas in terms of natural landscape, functional public services and available infrastructures, diversity of jobs and activities and competitive wages available for farmers. Forest areas have an important contribution particularly related to the maintenance and conservation of the natural landscape and the implementation of existing innovation programmes for agriculture.

Following the CAP Health Check, in recognition of the greater emphasis now being given to the “new challenges” facing agriculture and rural areas, the revised RDP further highlights the environmental challenges facing the sector, the need to improve soil and water management, adapt and mitigate against the impact of climate change.

RDP strategic objectives

The following overall objectives were chosen in accordance with the Community Strategic Guidelines (CSG) and the National Strategic Plan (PEN): promoting innovation, entrepreneurship and a knowledge-based society; promoting sustainable development and territorial cohesion; improving human potential and social cohesion; improving and maintaining regional culture and heritage.

In particular, strong emphasis is placed on generational renewal, qualification and training of the labour force (i.e. vocational training and information activities), increasing the competitiveness and modernisation of agricultural and forestry enterprises, strengthening the market’s organisation (i.e. developing new products, processes and technologies through cooperation/management services), improving food safety, product image, and agricultural identity. Particular focus is dedicated to forestry measures, due to the importance of forests in the island and due to the high number of forest fires that threaten their development potential. Prevention of forest fires is an important issue in Madeira and for this reason the forestry measures envisage the implementation of numerous activities to protect forests, to restore forestry potential and to introduce prevention actions.

The Portuguese Government decided to not use the available budget from the CAP Health Check and the European Recovery Plan for the RDP of Madeira but, in recognition of the greater emphasis now being given to the environmental challenges facing the sector, additional funds from the mandatory modulation have been allocated to measure 125 to address two of the “new challenges” facing agriculture and rural areas: improving the management of water resources and fighting against climate change. New eligibility criteria have also been chosen to allow “collective irrigation systems” to be eligible for funding.

It should be noted that the strategic objective imposed by the “new challenges” is not intended to increase irrigated areas, but to reinforce the necessary adaptation efforts derived from climate change (since a reduction in future water reserves in Madeira is foreseen), through better management of water resources, increasing the capacity of water storage and recharge of aquifers, as well as reducing water consumption and increasing the capacity of response from infrastructures

in place.

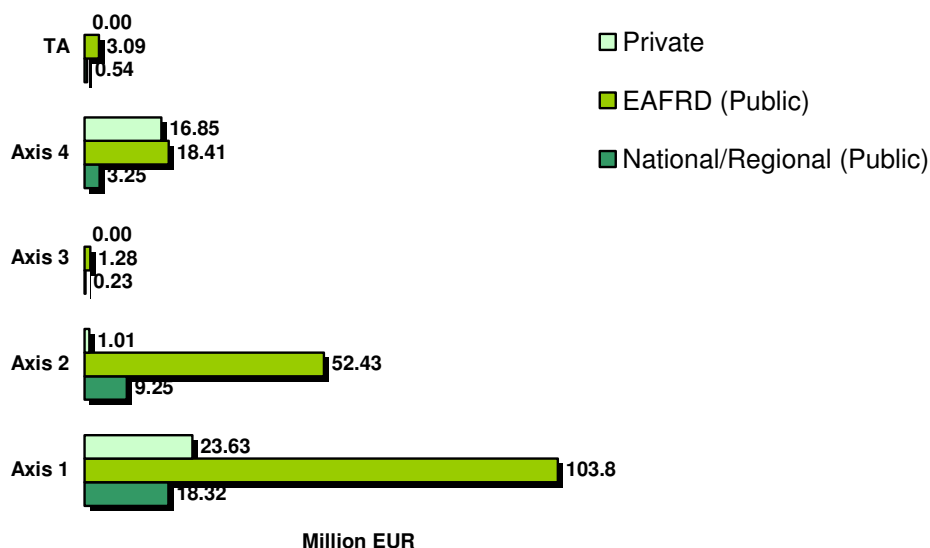
In addition, this modification included a new calculation method used for the funding included in measure 132 (participation of farmers in food quality schemes). In this sense, in order to better adapt to the small dimension that characterises agricultural enterprises in Madeira, the amount of funding is calculated according to the eligible expenses incurred in by the farm (up to a maximum of 3,000€/farm/year), rather than by its size. Finally, within measure 123, the maximum EAFRD support rate has been increased for medium and large-sized investments in strategic projects (ranging from 55%/65%, up to 75%), justified by the global economic and financial crisis. Also with the objective of contributing the economic recovery of the region and stimulating employment creation, a modification has been included with respect to the use of the Temporary Community Framework for State aid, which applies to measures 115, 123, 124, 311, 313, 321, 323 and 331.

Expected impact / outcomes of the policies

In terms of competitiveness, the impact of the programme is expected to be positive, although modest. The GVA and productivity are expected to rise between 8% and 16%. The impact on employment is the most relevant, not so much through the creation of new jobs but mostly through the maintenance of a very large number of existing jobs in agriculture and the agro-industry. Regarding the environment, the impact of the programme is quite important, particularly in maintaining the main environmental characteristics of the region, in improving human health and land planning.

Specific modifications to impact indicators have been made to take account of the alterations to the RDP, as a result of the CAP Health Check, the European Recovery Package and Modulation. Modifications to overall RDP result and impact targets include increased targets for operations and investment as well as a larger volume of available irrigation water and an increase in added value in supported enterprises. Detailed information on impact 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 €252,075,204



The RDP budget allocations are broadly divided into four main areas of expenditure, known as axes (namely: (1) improving the competitiveness of the agricultural and forestry sector; (2) improving the environment and the countryside; (3) quality of life in rural areas and diversification of the rural economy; and (4) Leader). Approximately 58% of the overall RDP budget in Madeira is allocated to axis 1 (€145.74 million); 25% is allocated to axis 2 (€62.68 million), 1% is allocated to axis 3 (€1.5 million) and around 15% to axis 4 (€38.51 million), with around 1% available to fund technical assistance (€3.63 million).

Within axis 1, national/regional public funding represents approximately 13% of the axis funding; with EAFRD funds adding 71%; and private funds totalling 16%.

Within axis 2, national/Regional public funding represents approximately 15% of the axis funding; with EAFRD funds adding 84%; and private funds totalling 1%.

Within axis 3, national/Regional public funding represents 15% of the axis funding; with EAFRD funds adding 85%.

Within axis 4, national/Regional public funding represents approximately 8% of the axis funding; with EAFRD funds adding 48%; and private funds totalling 44%.

Within the technical assistance, national/regional public funding represents 15% of the technical assistance funding and the EAFRD provides the remaining 85%.

Following the 2009 RDP modification, the Madeira region has been assigned additional EAFRD funds of a total of €4,000,000 from the compulsory modulation to support the "new challenges"

facing agriculture and rural areas (climate change and water management). These funds are intended to reinforce existing actions in Madeira aimed at supporting rural areas in climate change adaptation and mitigation initiatives and at improving water management.

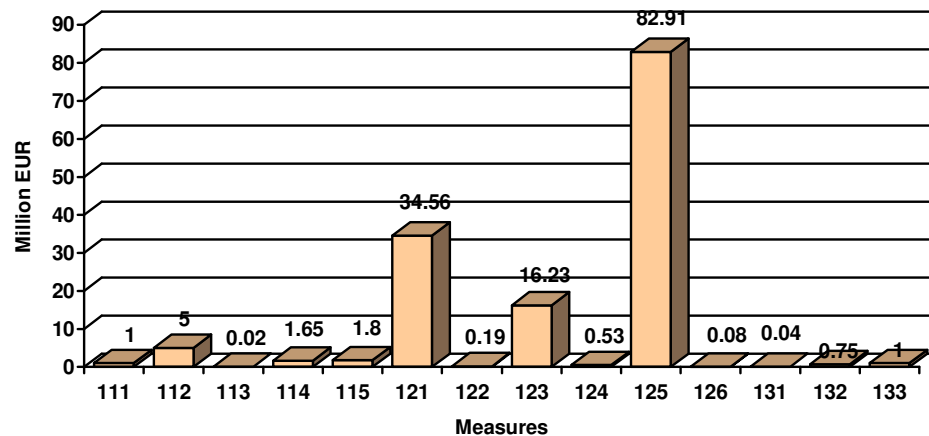
Axis Information²

Axis 1 objectives: Improving the competitiveness of the agricultural and forestry sector

The table below provides an indication of the RDP's priorities targeted by axis 1.

Strategic objective	Specific objectives
Improving the competitiveness of the agricultural, agro-industrial and forestry sectors	<ul style="list-style-type: none"> - Development of human potential - Modernisation of agricultural enterprises - Promotion of innovation - Improvement of agricultural infrastructures - Improvement of quality product throughout the production chain.

Axis 1 budget breakdown by measure: Total allocated budget (including national/regional public funds + EAFRD + private funds) of €145,746,112³



According to the 2009 RDP modification, the total amount for axis 1 is €145,746,112 including the additional €4,000,000 from the mandatory Modulation "new challenges" that is targeted at

² A full list of RDP measures can be found in Annex I.

³ Please note that for measures 111, 112, 113, 131, 132, 141, 142 and 143, no private spending has been allocated.

improving water management (in measure 125) by introducing water consumption information, accounting and management systems aiming at rationalising water consumption and promoting water savings.

Taking into account the changes applied to the programme, some indicators in the RDP have been updated to reflect the new sources of funding and other modifications which have been introduced in other measures of the programme. In this sense, 500 agricultural enterprises are expected to benefit from measure 132 (and the value of quality products is expected to increase by 50%). Furthermore, 179 agricultural operations are to benefit directly from the investment of a total of €82.9 million through measure 125, contributing to the sustainable use of water. Also within this measure, the aim is to increase the Gross Value Added (GVA) by 25% and the quantity of water available for irrigation by 5x10.000.000 m³.

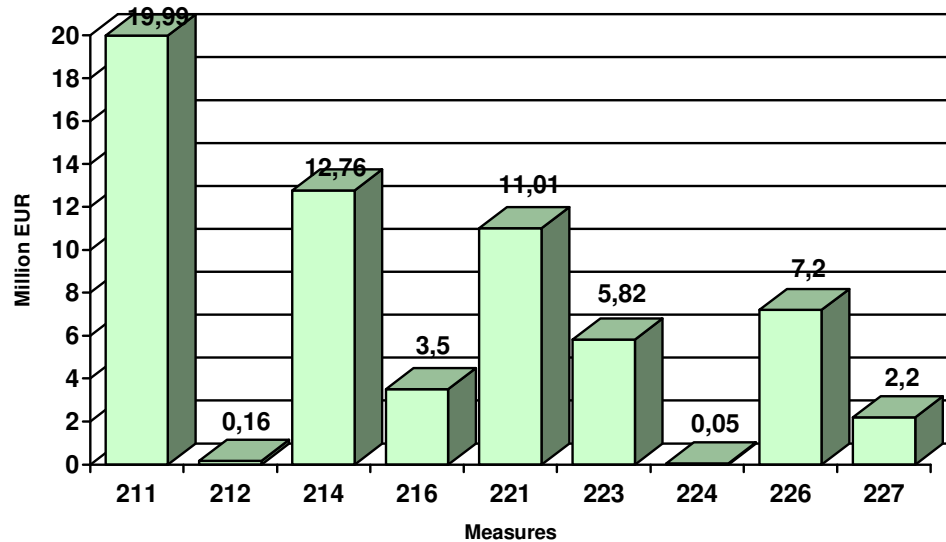
Axis 2 objectives: Improving the environment and the countryside

The table below provides an indication of the RDP's priorities targeted by axis 2:

There are no changes in relation to Axis 2 following the RDP modification (version adopted in March 2010).

Strategic objective	Specific objectives
Improving the environment and the countryside	<ul style="list-style-type: none"> - Encouraging the sustainability of agricultural areas - Supporting agriculture in disadvantaged areas - Encouraging the introduction or maintenance of production methods compatible with the protection of environmental values, water and soil within the framework of the agricultural and forestry activity. - Maintaining and modernising the forestry sector, encouraging new afforestation of agriculture and non agricultural land.

Axis 2 budget breakdown by measure: Total allocated budget (including national/regional public funds + EAFRD + private funds) of €62,688,237⁴



Axis 3 objectives: Quality of life in rural areas and diversification of the rural economy

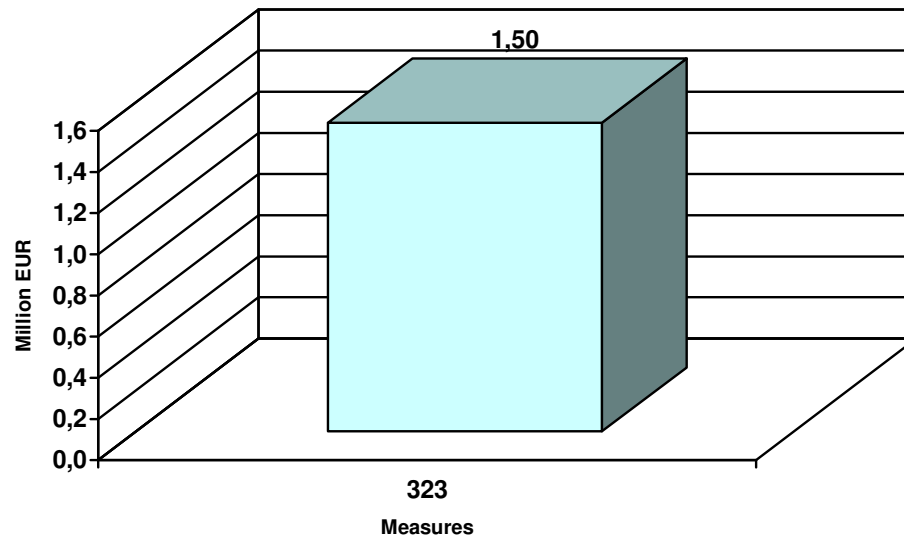
The table below provides an indication of the RDP's priorities targeted by axis 3.

There are no changes in relation to Axis 3 following the RDP modification (version adopted in March 2010).

Strategic objectives	Specific objectives
Quality of life in rural areas and diversification of the rural economy	<ul style="list-style-type: none"> - Revitalise rural areas, encouraging the creation of business opportunities. - Improve quality of life, through job creation and the maintenance of rural populations.

⁴ For measures 211, 212, 213, 214, 215, 216, 222, 224, 225 and 226 no private spending has been allocated.

Axis 3 budget breakdown by measure: Total allocated budget (including national/regional public funds + EAFRD + private funds) of €1,500,000⁵



Axis 4 objectives: Leader

The main priority under axis 4 is to support local development strategies that promote the improvement of quality of life and diversification of rural activities (measure 413) which accounts for over 94% of the total axis budget allocation. Other support is targeted at the conservation and upgrading of the rural heritage and implementing cooperation projects.

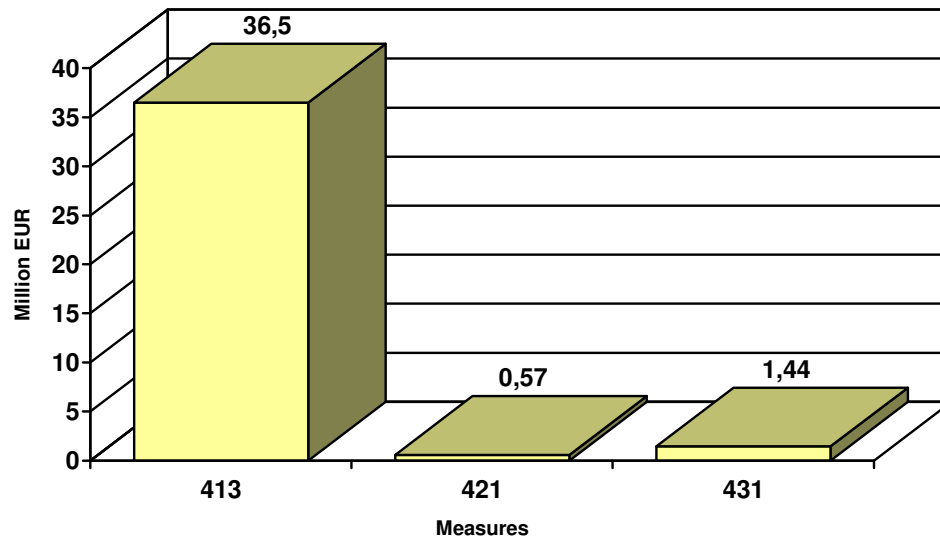
There are no changes in relation to Axis 4 following the RDP modification (version approved in March 2010)

Strategic objective	Specific objectives
Support for local development strategies	<ul style="list-style-type: none"> - Promote quality of life in rural areas - Encourage the diversification of rural activities

The number of LAGs operating in the RDP's area as of March 2010 was 2.

⁵ For measure 311, 312, 313, 321, 322, 331 and 341 no private spending has been allocated.

Axis 4 budget breakdown by measure: Total allocated budget (including national/regional public funds + EAFRD + private funds) of €38,511,323⁶



Monitoring and evaluation strategy

A set of indicators disaggregated by measure/action allows to carry out continuous monitoring and evaluation of the PRODERAM and provides the necessary information for management and evaluation. This set of data is managed by an Information System (IS). The IS provides for each level of assistance in the process, the information necessary for the effective management of each key function, as well as the global and strategic monitoring of its implementation which allows for the drawing up of the annual reports for the Monitoring Committee.

The evaluation started with the *ex-ante* evaluation that was carried out as a first step of the drawing up of the programme. In the course of 2010, a mid-term evaluation has been carried out allowing for an eventual mid-term programme review. In 2015, the *ex-post* evaluation shall be carried out for the purposes of the final reporting. These three evaluation processes shall be carried out by independent entities.

Communication and publicity

The PRODERAM's Communication Plan has the following objectives and public targets:

- Inform the potential recipients and promoters of projects with clarity, detail and timeliness about the possibilities offered by the RDP, and the conditions of access to the EAFRD;
- Such information shall relate to the administrative procedures in the presentation of

⁶ For measure 411, 412, 421 and 431 no private spending has been allocated.

applications, the description of the procedures for examining applications and the eligibility and/or selection criteria. It should also include contacts at the national, regional or local level for clarification on the operation of the program, the selection criteria and the evaluation of applications;

- All entities likely to provide information to potential beneficiaries are included in the implementation of the information activities;
- The target audience for these information operations include the recipients and potential recipients of the RDP, professional organizations, the economic, social and environmental organizations involved in promoting equality between men and women, public sector institutions related to the sector, rural development agents and other civil society organisations.

Campaigns can be directed at different promoters and relevant political instruments or may be based on particular areas or topics of assistance that can supplement the Programme's communication plan.

The following support tools have been used:

- Written information and publications (brochure, leaflets, posters);
- Communication events (public sessions, workshops, etc.);
- Media events (radio, special inserts or news, etc.);
- Magnetic data and web technology (interactive CDs, website, intranet access, etc.);
- Information sessions (Q&A public sessions, specialized interviews and clarification sessions);
- Advertising boards in accordance with the rules and regulations of the European Union.

The communication strategy must take into account the different target groups within the public, linking the content of measures with their particular interests. The information and advertising activities are developed in partnership with organisations and public entities and are evaluated through result pointers and financial performance.

Annex I - Measures

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