



Factsheet on 2014-2020 Rural Development Programme for Portugal *Madeira*

The Rural Development Programme (RDP) for Madeira, Portugal, was formally adopted by the European Commission on 13 February 2015, and last modified on 10 August 2023. It outlines Madeira's priorities for using the € 285 million of public money that is available for the 9-year period 2014-2022 (€ 248 million from the EU budget, out of which 16 million EURI, and € 37 million of national co-funding).

The main objective of the programme is to increase the sustainability of the agro-forestry sector in the region of Madeira by boosting the competitiveness of the local agricultural production and restoring, preserving and enhancing ecosystems. Around 14% of the agricultural land will be under contract for biodiversity, 13% for water management and 30% for soil management. 860 farmers will get support to modernise and restructure their farms, while 6700 farmers will receive training. Around 6% of the funds will be used for local initiatives, aiming to create 100 new jobs and to improve the living conditions of the rural population of the region.

Support for Rural Development (RD) is the 2nd Pillar of the Common Agricultural Policy. It provides Member States with an envelope of EU funding which can be managed nationally or regionally under multi-annual, co-funded programmes. There are 114 programmes in the 27 Member States and 4 programmes in the United Kingdom. The new RD Regulation for the 2014- 2020 period addresses six economic, environmental and social priorities. Programmes contain clear targets setting out what is to be achieved. To better coordinate actions 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 faced by Autonomous Region of Madeira are addressed by its RDP. In the annex, a table indicates the priorities and focus areas with their specific targets and allocated budgets.

1. SITUATION AND KEY CHALLENGES

The Autonomous Region of Madeira covers an area of 802 km², of which 35% is forest and 14% is agricultural land. The population is around 254 000 inhabitants, of which circa 12% work in the agricultural sector. The unemployment rate was 8% in 2021.

Farming in Madeira has been shaped by its geomorphology: most farms are situated in areas with average slopes between 16% and 25%, leading to high production costs as well as the intensive use of labour. The whole region is therefore considered a natural constraint area. Madeira has a lot of small farmers: 93% of farms have less than 1 ha and, on average, each holding consists of around 4 plots. Only 0.4% of the holdings have an annual turnover higher than € 100 000.

Despite these disadvantages, agriculture plays a key role in countering land abandonment which is a threat to the environmental sustainability of the region. The farm sector also helps maintain traditional landscape which is one of the major touristic attractions of Madeira.

Consequently, the key challenges for this programming period will be to improve the competitiveness and viability of the farm sector whilst supporting traditional and environmentally sustainable agricultural systems and landscapes.

2. HOW THE MADEIRA RDP WILL ADDRESS THESE CHALLENGES

The RDP aims at increasing the level of agricultural and rural sustainability, by improving the competitiveness of traditional and local production as well as the environmental sustainability and the traditional landscape.

In addressing these challenges, the RDP of Madeira will fund action under five Rural Development Priorities with *Restoring and preserving ecosystems* being the main priority. Through the programme, Madeira wishes to increase the quality of key traditional products (such as wine, sub-tropical fruits and flowers) and give a boost to innovation. The programme will also improve the sustainability of the agroforestry sector and of rural areas, by giving priority to afforestation and other forestry measures which reconcile environmental protection with a sustained economic activity of the rural population. At the same time, the programme will assist the fight against invasive species which is a real threat to the region's ecosystem.

Promoting the competitiveness of the agricultural and agro-industry sector

Farm investments aim at restructuring 860 agricultural holdings (6.32% of the total number), while innovation will be facilitated through the support of 13 European Innovation Partnership (EIP) operational groups. 6700 farmers will receive training during the programme period, while the generational renewal of Madeira farming will target aid to 78 young farmers.

Promoting food chain organisation, including processing and marketing of agricultural products

82 holdings will participate in quality schemes, as well as in the promotion of local markets and short supply chains.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Under this priority, Madeira foresees support to environment/climate-friendly land management practices, including organic farming. Around 14% of the agricultural area will be under contract, supporting biodiversity and natural landscapes, 13% under contract for water management and 30% for soil management. In addition, the RDP includes support for forestry development and improvement of its viability, including environment/climate-friendly forest investments and non-productive investments.

Promoting resource efficiency and supporting the shift towards low-carbon and climate-resilient economy in agriculture, food and forestry sectors

This priority will mainly address investment related to water efficiency in order to have 12% of the total irrigated land switch to more efficient irrigation systems. There will be particular support for investment projects which promote energy efficiency and the production and use of renewable energy. Environmental efforts in agro-forestry systems will also be encouraged. 40 ha of agricultural and forest land will be under management contracts to foster carbon sequestration or conservation.

Promoting social inclusion, poverty reduction and economic development in rural areas

This priority will be entirely implemented through the “bottom-up” approach, led by Local Action Groups (LAGs), on the basis of Local Development Strategies to be drawn up by the selected LAGs. These strategies can address small investments related to the diversification of non-agricultural activities in rural areas, the reinforcement of basic services and small-scale collective infrastructure. The focus will be on improving the living conditions of the rural population and helping to create jobs and business opportunities. The entire rural population will be covered by a Local Development Strategy and it is expected that this will create at least 100 additional jobs. More than 6% of the programme allocation has been earmarked to implement these local strategies.

The five ***biggest RDP measures*** in budgetary terms (total public funding) are the following:

- 116 million EUR allocated to Measure 4 – Investment in physical assets
- 60 million EUR allocated to Measure 13 – Payments to areas facing natural or other specific constraints
- 59 million EUR allocated to Measure 8 – Investment in forest area development and improvement of the viability of forests
- 16 million EUR allocated to Measure 19 – Support for LEADER local development
- 4 million EUR allocated to Measure 10 – Agri-environment-climate.

Annex 1: Indicative public support for the Portuguese Rural development Programme – MADEIRA

| Focus Area and targets | Measure | Public Allocations | % |
|---|---|----------------------|--------------|
| P1: Knowledge transfer and innovation in agriculture, forestry and rural areas | | | |
| 1A - Innovation, cooperation, knowledge 1.76 % RDP expenditure | M01 - Knowledge M02 - Advisory services M16 - Cooperation | | |
| 1B - Research and innovation 13 cooperation operations | M16 - Cooperation | | |
| 1C - Lifelong learning and vocation training 6 700 training participants | M01 - Knowledge | | |
| P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests | | 76 927 842.23 | 26.99 |
| 2A - Farm performance 6.32 % farms with RDP support | M01 - Knowledge | 1 267 573.16 | 0.44 |
| | M02 - Advisory services | 138 670.52 | 0.05 |
| | M04 - Investments | 65 261 159.11 | 22.9 |
| | M16 - Cooperation | 3 142 215.97 | 1.10 |
| | M21 COVID – 19 crisis | 1 894 000.00 | 0.66 |
| | M22 Impact of Russia's invasion of Ukraine | 3 123 223.41 | 1.10 |
| 2B - New farmers 0.57 % farms with RDP support for YF | M06 - Farm and business development | 2 101 000.06 | 0.74 |
| P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture | | 2 973 752.26 | 1.04 |
| 3A - Competitiveness of producers 0.60 % of farm supported | M03 - Quality schemes | 69 947.51 | 0.02 |
| 3B - Risk management 25.72 % of farms supported | M05 - Restoring agricultural potential | 1 633 297.31 | 0.57 |

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| | M17 - Risk management | 1 270 507.44 | 0.45 |
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| P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry | | 131 399 789.02 | 46.11 |
| 4A - Biodiversity, HNV and landscapes 66.45 % forestry land under contract 13.89 % UAA under contract 4B - Water management 13.39 % UAA under contract 62.42 % forestry land under contract 4C - Soil management 30.18 % UAA under contract 62.42 % forestry land under contract | M04 - Investments | 9 363 509.59 | 3.29 |
| | M08 - Forest | 52 067 897.65 | 18.27 |
| | M10 - AEC | 4 006 198.12 | 1.41 |
| | M11 - OF | 1 025 627.66 | 0.36 |
| | M12 - NAT 2000 and WFD | 3 135 304.75 | 1.10 |
| | M13 - ANC | 59 651 052.39 | 20.93 |
| | M15 - Forest-environment | 2 120 446.61 | 0.74 |
| | M16 - Cooperation | 29 752.25 | 0.01 |
| P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors | | 48 560 258.72 | 17.04 |
| 5A - Water efficiency 141.61 % irrigated UAA supported | M04 - Investments | 40 050 305.69 | 14.05 |
| 5B - Energy efficiency 1 576 164 € investment | M04 - Investments | 914 175.16 | 0.32 |
| 5C - Renewable energy 7 025 318 € investment | M08 - Forest | 5 268 988.77 | 1.85 |
| 5D - Reducing GHG and NH3 5.23 % LU concerned by investments 1.16 % UAA under contract | M04 - Investments | 113 053.53 | 0.04 |
| | M10 - AEC | 217 346.31 | 0.08 |
| 5E - Carbon conservation / sequestration 0.10 % UAA under contract | M08 - Forest | 1 996 389.26 | 0.70 |
| P6: Promoting social inclusion, poverty reduction and economic development in rural areas | | 15 826 223.41 | 5.55 |
| 6B - Local development 99.92 % rural pop in LDS 100 jobs created (Leader) | M19 - LEADER and CLLD | 15 826 223.41 | 5.55 |
| Sum: | | 275 683 376.98 | 96.74 |
| Technical Assistance | | 9 292 210.13 | 3.26 |
| TOTAL PUBLIC ALLOCATIONS | | 284 975 587.11 | 100.00 |