



Factsheet on 2014-2022 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, and last modified on 24 June 2022, outlining the Canary Islands' priorities for using the € 262.50 million of public money that is available for the 9-year period 2014-2022 (€ 216.67 million from the EU budget, out of which € 13.60 million EURI, € 35.83 million of national co-funding and also € 10.00 million of additional national financing).

The most recent modification of the RDP Canary Islands introduced the latter € 10.00 million of additional national financing in view of substantially reinforcing Measure 5 – “Restoring agricultural production potential damaged by natural disasters and catastrophic events” after the severe damages caused by the volcanic eruptions registered at the island of La Palma between 19 September 2021 and 13 December 2021.

The RDP for the Canary Islands focuses on six priority areas. In order to improve the competitiveness of the farm sector, nearly 1 600 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 590 beneficiaries. The region will support training for 258 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 € 4.3 million. Altogether, 99.5% 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. More than 355 000 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 States¹.

The Rural Development Regulation for the current period 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.

¹ The UK left the Union on 31st January 2020; in accordance with the Withdrawal Agreement support under Rural Development continues to apply in the UK during the 2014-2020 programming period

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. Flowers, potatoes, vineyards and tropical fruits - mainly avocado- are also important productions in the region.

The unemployment rate in the region is still rather higher (nearly 30% in the year 2014), particularly amongst young people (more than 50% in the year 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: 258 participants will be trained and 5 co-operation projects will be 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 11.52 % of farms will receive funding for investments focused on restructuring and modernisation. Nearly 4.15 % 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 more than 60 agricultural holdings within the archipelago to participate in quality schemes, local markets and short supply chains.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Around 10% 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, more than 300 000 hectares of the archipelago, which equals to nearly 56 % of the region's agricultural area, 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 € 4.3 million during the 9-year period 2014-2022. Funding will be granted for projects aimed at increasing water efficiency and, by the end of the year 2022, 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 7 Local Action Groups (LAGs) under the LEADER approach. More than 355 000 inhabitants living in rural areas of the Canary Islands will benefit from these local initiatives, which will also create an estimated number of 218 new jobs in LEADER supported projects.

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

- € 126.74 million allocated to Measure 4: Investments in physical assets
- € 32.83 million allocated to Measure 6: settlement of young farmers
- € 25.75 million allocated to Measure 10: agri-environment-climate
- € 22.09 million allocated to Measure 8: Forestry
- € 13.10 million allocated to Measure 5 : Restoring of agricultural production

Annex 1: Indicative public support for the Rural Development Programme in the Region of the Canary Islands²

Target	Measure	€ Total public	%
Priority 1: Knowledge transfer and innovation in agriculture, forestry and rural areas³			
1A: Fostering innovation, cooperation, knowledge base 1.31 % of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) 5 cooperation projects	16 cooperation		
1C: Training 258 participants trained	01 knowledge		
Priority 2: Farm viability, competitiveness and sustainable forest management		90 551 284	34.49
2A: Economic performance, restructuring & modernisation 11.17 % of holdings with RDP support	01 knowledge	21 479	0.01
	02 advisory	39 950	0.02
	04 investments	49 308 213	18.78
	16 cooperation	861 501	0.33
	21 COVID	1 790 077	0.68
2B: Generational renewal 4.15 % of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	21 479	0.01
	02 advisory	38 870	0.01
	04 investments	4 771 266	1.82
	06 farm and business development	32 836 948	12.51
	16 cooperation	861 501	0.33
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		15 419 392	5.87
3A: Improving competitiveness of primary producers 0.44 % of farms supported 62 supported investments for processing and marketing of agricultural products	01 knowledge	62 867	0.02
	02 advisory	39 950	0.02
	03 quality schemes	2 175 401	0.83
3B: Risk management 0.71 % of farms supported	02 advisory	38 870	0.01
	05 Restoring agricultural potential	13 102 304	4.99

² Figures and percentages have been rounded-up.

³ 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 forestry⁴		51 432 071	19.59
4A Biodiversity	02 advisory	118 769	0.05
55.93 % of agricultural land under contracts	04 investments	291 120	0.11
1.69 % of forest/other wooded area under contracts	08 forest	21 958 624	8.36
4B Water management	10 AEC	25 750 000	9.81
55.93 % of agricultural land under contracts	11 organic farming	3 313 558	1.26
1.69 % of forestry land under contracts			
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		59 784 250	22.77
5A Water efficiency	01 knowledge	17 976	0.01
10.75 % of irrigated land switching to more efficient irrigation systems	02 advisory	39 950	0.02
	04 investments	43 939 174	16.74
5B - Energy efficiency	02 advisory	38 870	0.01
€ 12 million in investment projects introducing high efficiency equipment or in-house renewable sources of energy for self-consumption	04 investments	9 959 352	3.79
	07 basic services	77 824	0.03
5C - Renewable energy	02 advisory	38 870	0.01
€ 4.3 million of public expenditure aimed at cooperation which is intended to promote the use of renewable energy	04 investments	3 553 577	1.35
	07 basic services	51 882	0.02
	08 forest	135 383	0.05
5D - Reducing GHG and NH3	02 advisory	38 870	0.01
5 % of livestock units concerned by investments in view of reducing GHG and/or ammonia emissions	04 investments	1 735 482	0.66
5E Carbon conservation and sequestration	01 knowledge	117 090	0.04
6 beneficiaries trained	02 advisory	39 951	0.02
Priority 6: Social inclusion, poverty reduction and economic development in rural areas		38 000 537	14.48
6A - Diversification, SMEs and job creation	04 investments	13 185 472	5.02
655 jobs created in supported projects	16 cooperation	334 045	0.13
6B Fostering local development	07 basic services	11 053 233	4.21

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

98.25 % rural population under local development strategies	16 cooperation	334 045	0.13
99.55 %percentage of rural population benefiting from improved services/infrastructures 218 jobs created (via LEADER)	19 LEADER	12 884 835	4.91
6C ICT 0.06 % of population benefiting of new or improved ICT cooperation projects	16 cooperation	208 908	0.08
Technical Assistance		7 320 927	2.79
Total public expenditure €		262 508 461	100.00