

Brussels, 20 December 2007

Rural Development Plan for the Autonomous Region of Madeira in Portugal

Region profile:

- Madeira is an outermost Region as per Article 299 (2) of the EC Treaty and it receives an 85% co-financing rate from EAFRD for the 4 axes of the RDP (rural development programme).
- The Region is in a "phasing in" stage to the Regional Competitiveness and Employment objective.
- Madeira is composed of four islands and has a total population of 245,197 inhabitants. Active population is composed of 124,560 people.
- The size of Madeira is 828 km² and the population density is 304.7 inhabitants/ km² (based on the two inhabited islands - Madeira and Porto Santo).
- Rural areas cover 81.4% of the territory and contain 34.43% of the population.
- The entire territory is classified as a less-favoured area (area with specific handicaps).
- The UAA (utilised agricultural area) is comprised of 4,458 hectares.
- Twenty-five percent of the territory of Madeira is covered by Natura 2000 areas. There is no agricultural activity in Natura 2000 areas. The designated Natura 2000 areas are primarily under forest cover.
- Agriculture makes up five percent of land use whereas forestry covers a much greater proportion of land use with 66% of land.
- There are 11,589 holdings and the average holding size is 0.38ha.
- The GDP per capita in Madeira is 82.19% of the EU25 average.
- The agro-forestry sector contributes 0.97% of the Gross Value Added (GVA) and 9.9% of employment.
- The unemployment rate in 2006 was 5.8%, lower than in Mainland Portugal and the EU25 average.
- A significant part of the active population in the agricultural sector has completed only elementary education and illiteracy is still significant in this section of the population.
- The agricultural activity with the highest impact on the regional agricultural income is mixed farming which provides 59% of agricultural income. Specialised farming makes up 38% of income and in this sub-category horticulture has the greatest impact with 21% of the total income.

Chosen strategy corresponding to the profile:

The overall objective, is “to promote sustainability and quality in agriculture”.

Three strategic objectives are defined:

- improving the competitiveness of the agricultural and forestry sector,
- improving the environment and the rural landscape through management of rural areas,
- promoting quality of life in the rural areas and economic diversification.

Budget overall and share of EU funding (EUR)

Axis	Total Public Expenditure (€ million)	Share of EAFRD in Public expenditure in %	EAFRD Contribution
Axis 1	117,414,136	85%	99,802,016
Axis 2	61,677,362	85%	52,425,758
Axis 3	1,500,000	85%	1,275,000
LEADER	21,661,324	85%	18,412,125
Technical assistance	3,629,531	85%	3,085,101
Total	205,882,353	85%	175,000,000

Overall aim of the programme

In line with the strategic guidelines, the RDP aims to increase regional competitiveness by improving production, processing, and marketing structures, as well as to promote environmental protection, food security, and quality of life of rural populations.

Axis 1 budget allocation and main priorities:

EAFRD: € 99,802,016 (57.03 % of the programme total).

Total public funding: € 117,414,136.

The main priorities under this axis are:

- improving and developing infrastructures,
- modernisation of agricultural holdings,
- adding value to agricultural and forestry products.

Axis 2 budget allocation and main priorities:

EAFRD: € 52,425,758 (29.96 % of programme total).

Total public funding: € 61,677,362.

The main priorities under this axis are:

- support for the maintenance of activities in less favoured areas,
- agri-environment payments,
- afforestation of agricultural land.

Axis 3 budget allocation:

EAFRD: € 1,275,000 (0.73 % of programme total; these measures are mainly implemented through Axis 4)

Total public funding: € 1,500,000

The main priorities under this axis are:

- - economic diversification
- - conservation and upgrading of the rural heritage.

Leader budget allocation and main priorities:

EAFRD: €18,412,125 (10.52% of the programme).

Total public funding: € 21,661,324.

This includes support for selected integrated strategies according to the Leader principles. The measure shall contribute to the accomplishment of the objectives of axis 3. The main priority is Quality of life/Diversification. Inter-territorial and trans-national cooperation is envisaged.