



Factsheet on 2014-2020 Rural Development Programme for Basilicata

The Rural Development Programme (RDP) for the Region of Basilicata was formally adopted by the European Commission on 20 November 2015, outlining Basilicata's priorities for using the nearly € 680.16 million of public money that is available for the 7-year period from 2014-2020 (€ 411.49 million from the EU budget and € 268.67 million of national co-funding).

The RDP for Basilicata focuses mainly on three areas. As part of its efforts to preserve and enhance ecosystem and resources efficiency and climate around 244 000 hectares will come under management contracts to improve biodiversity, water management and soil quality. In order to improve the competitiveness of farmers, the region will support 327 investment projects to restructure and modernize farms and over 650 young farmers will be granted business start-up aid. In addition to this 10% of the rural population will benefit from local strategies to improve living conditions in rural areas and around 2.5 % of the rural population will have better access to ICT infrastructure.

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 States. The new RD Regulation for the period 2014-2020 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. The Partnership Agreement of Italy was approved on 29 October 2014.

This document provides a brief overview of how the challenges and opportunities Basilicata is facing are 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 Italy rural development is implemented through 22 separate RDPs – one at national level and 21 regional RDPs. In addition, the National Rural Network Programme provides the funding for the networking of rural development actors in Italy.

Basilicata is categorized as a less developed region. It covers an area of 10 073 km²; the whole region is rural. 576 194 inhabitants live in the region, with an average population density of 54.7 inhabitants per km².

Of the total area, agricultural land covers 50% and forest land 35%. The utilized agricultural area (UAA) is around 519 000 ha. 60% of farm land is used for arable crops. The region's 51 760 farms produce cereals (35%) as well as fruit and vegetable, olive-oil

and wine. Organic farming is still relatively unimportant, covering 44 390 ha (2.3% of the farms). Animal husbandry is quite extensive in mountains. Dairy cattle, sheep and goat are farmed for meat and dairy in mountains areas.

Basilicata has an average employment rate of 46.9% (55% national average); unemployment rate of 14.5% (year 2013) and the youth unemployment rate is 49.3%. Agriculture contributes to the 8.8% of the added value produced in the region.

Natura 2000 covers 23.7% (236 872 ha) of the regional territory. Areas classified as less-favoured mountains areas cover 45% of the UAA.

The chief environmental challenges relate to soil erosion, water quality and biodiversity protection.

2. HOW THE BASILICATA'S RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, Basilicata's RDP will fund action under all of six Rural Development priorities – with a particular emphasis on competitiveness (Priorities 2), environmental land management (Priority 4) and social inclusion (Priority 6). The focus of each priority is explained briefly below.

Knowledge transfer and innovation in agriculture, forestry and rural areas

Knowledge transfer and innovation actions will be put in place to increase the economic and environmental performance of farms, as well as for the development of rural areas and ten percent of funds will be allocated to actions related to this priority.

Almost 2 380 places will be made available in training courses and the programme will give farmers access to advisory services on topics related to the RDP priorities. The region is planning to launch 100 co-operation projects.

Competitiveness of agri sector

Support will be targeted to process and product innovation in farms and agro-industrial holdings. The objective is to improve output and product quality whilst reducing production costs. Equally important is the improvement of environmental sustainability, energy efficiency as well as rural infrastructure. The RDP will support the diversification of farms in order to create new income opportunities, for instance through the valorisation of agricultural by-products and waste.

To reach these objectives, the region will support 327 investment projects to restructure or modernise farms and over 650 young farmers will be granted business start-up aid

Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

Under this priority, the region wishes to grant support to integrated projects in the supply chain. The objective is to increase and stabilise the profitability of primary production and give priority to the modernisation of production processes and support for quality production. The region wants to encourage “from farm to fork” approaches and various forms of association in agriculture in order to reduce costs and improve the marketing of products. To reach these objectives, around 116 investment projects will receive support.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Under this priority, Basilicata will safeguard water quality through the promotion of agricultural production techniques that reduce pressure on the environment and combat

erosion in hills and mountain area. The programme also proposes actions for the sustainable management of ecosystems and habitats, for preventing agricultural land abandonment and preserving plant and animal agricultural biodiversity.

Nearly 17 % of the agricultural land will be under management contracts supporting biodiversity, 15% under management contracts supporting water management and 15% of the agricultural land will be under management contracts supporting soil management. Over 14 520 hectares will receive support to convert to organic farming and another 22 617 ha to maintain organic production.

Resource efficiency and climate

Under this priority Basilicata aims to support the shift towards a low carbon and climate-resilient economy in agriculture and it will be supported mainly indirectly through cooperation projects, mainly for the sustainable provision of biomass for use in energy production. The programme will support the development of bioenergy and the use of agricultural and agro-industrial by-products, reducing emissions from agro-industrial activities and increasing carbon sequestration through forestry.

Investments in agricultural holdings with environmental purposes will also contribute indirectly to climate change mitigation and adaptation.

Social inclusion and local development in rural areas

The main actions refer to fostering local development in rural areas and broadband internet deployment (including the development of ICT-services). More than 80 beneficiaries will receive support for investments in non-agricultural activities in rural areas, while basic services will be improved for 57 170 inhabitants of the rural population.

Local Development Strategies (LEADER), which covers 76 % of the rural population (438 880 inhabitants), will create 35 additional jobs and around 14 490 inhabitants (2.5 % of the rural population) will have better access to ICT infrastructure.

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

- € 148.12 million allocated to M4 (investments in physical assets)
- € 90 million allocated to M8 (forestry)
- € 87.31 million allocated to M11 (Organic farming)

Annex 1: Indicative public support for the Rural Development Programme in Basilicata region

Target	Measure	€ Total public	%
Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas¹			
1A: Fostering innovation, cooperation, knowledge base 4.87% of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) 100 cooperation projects	16 cooperation		
1C: Training 2 382 participants trained	01 knowledge		
Priority 2: Farm viability, competitiveness and sustainable forest management		124 785 124	18.34
2A: Economic performance, restructuring & modernisation 0.63% of holdings with RDP support	01 knowledge	2 148 760	0.31
	02 advisory	909 091	0.13
	04 investments	48 060 331	7.06
	06 farm / business development	3 719 008	0.54
	16 cooperation	1 157 025	0.17
2B: Generational renewal 1.25% of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	1 851 240	0.27
	02 advisory	578 512	0.08
	04 investments	27 352 893	4.02
	06 farm / business development	38 842 975	5.71
	16 cooperation	165 289	0.02
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		88 819 116	13.05
3A: Improving competitiveness of primary producers 0.73% of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations 58 food industries receiving support	01 knowledge	413 223	0.06
	02 advisory	247 934	0.03
	03 quality schemes	5 785 124	0.85
	04 investments	59 323 248	8.72
	09 producers groups	1 652 893	0.24
	16 cooperation	9 917 355	1.45
3B: Risk management 0.46% of farms participating in risk management scheme	01 knowledge	247 934	0.03
	05 restoring agricultural potential	11 570 248	1.70
	16 cooperation	661 157	0.09

¹ 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 forestry²		297 198 565	43.69
4A Biodiversity	01 knowledge	1 487 604	0.21
64.16% of forest/other wooded area under contracts	02 advisory	1 570 248	0.23
16.67% of agricultural land under contracts	04 investments	991 736	0.14
4B Water management	08 forests	72 993 702	10.73
14.84% of agricultural land under contracts	10 AEC	82 018 811	12.05
	11 organic farming	87 310 017	12.83
4C Soil erosion and management	12 N2000 and WFD	17 024 794	2.50
14.76% of agricultural land under contracts	13 ANC	28 264 463	4.15
60.21% of forestry land under contracts	16 cooperation	5 537 190	0.81
Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors		43 388 429	6.37
5A Water efficiency	02 advisory	165 289	0.02
5.26 %agricultural land under contract	04 investments	8 264 463	1.21
	16 cooperation	826 446	0.12
5C Renewable energy	01 knowledge	413 223	0.06
€8.26 million investments	02 advisory	165 289	0.02
	04 investments	4 132 231	0.60
	07 basic services	2 479 339	0.36
5E Carbon conservation and sequestration	01 knowledge	247 934	0.03
0.90% of agricultural and forest land under management contracts contributing to carbon sequestration or conservation	02 advisory	165 289	0.02
	8 forests	17 768 595	2.61
	12 N2000 and WDF	8 760 331	1.28

² Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas

Priority 6: Social inclusion, poverty reduction and economic development in rural areas		101 670 967	14.94
6A Diversification, creation of small enterprises and jobs	01 knowledge	1 074 380	0.15
62 jobs created in supported projects	06 farm / business development	15 289 256	2.24
	07 basic services	20 067 663	2.95
	16 cooperation	1 570 248	0.23
6B LEADER	01 knowledge	322 314	0.04
76.17% rural population under local development strategies	07 basic services	11 755 154	1.72
9.92% rural population with improved services/infrastructure	16 cooperation	413 223	0.06
35 jobs created (via LEADER)	19 LEADER and CLLD	37 699,360	5.54
6C Access to and quality of ICT	01 knowledge	884 298	0.13
2.51% of rural population benefiting from new or improved services/infrastructures (ICT)	07 basic services	12 595 041	1.85
Technical Assistance		23 298 131	3.42
Total public expenditure €		680 160 331	100