



## **Factsheet on 2014-2020 Rural Development Programme for Bolzano**

The Rural Development Programme (RDP) for the Autonomous Province of Bolzano was formally adopted by the European Commission on 26 May 2015, outlining Bolzano's priorities for using more than € 366 million of public money available for the 7-year period 2014-2020 (over € 158 million from the EU budget and € 208 million of national co-funding).

The RDP for Bolzano focuses mainly on restoring, preserving and enhancing ecosystems, resource efficiency and climate change as well as improving the competitiveness of the farm and forestry sectors. Around a quarter of the farmland will come under management contracts supporting biodiversity, 22 % will contribute to soil erosion management and another 14 % of the agricultural land will be under contract to reduce greenhouse gases and ammonia emissions. To improve the competitiveness of farmers, 125 farms will receive support to restructure or modernise their farms and almost 6 % of farms will receive support for young farmers to launch their businesses. Investments in basic services will be supported within the scope of the LEADER Local Action Groups whose Local Development Strategies will cover 17 % of the rural population and create 50 additional jobs. Around 2.5% of the rural population will also benefit from new or improved broadband 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 for Italy was approved on 29 October 2014.

This document provides a brief overview of how the challenges and opportunities Bolzano 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.

Bolzano, entirely located in the Alps, covers an area of 7 400 km<sup>2</sup>, of which 92 % is classified as rural areas with a number of complex development problems. Of the total area, agricultural land covers 40 %, while forests cover 48 %. Bolzano has 477 000 inhabitants and most people live in rural areas. The employment rate is 72%, while the

unemployment rate is 4.4 % (2012). Agriculture employs 5% of all people employed. Only 8% of the utilized agricultural area (UAA) is used for fruit and wine production (around 23 000 ha out of a total UAA of 267 500 ha), however it has a strategic importance in the province's economy. More than 50% of the gross marketable production in the province comes from this sector. In Bolzano fruit is cultivated on 18 600 ha, of which all but 100 ha are planted with apple trees.

Bolzano's main challenges derive from its geographical situation. With the whole territory classified as mountainous, farming is taking place under very difficult conditions, mainly in areas with natural constraints. Further environmental challenges in Bolzano are related to the need for a shift towards an innovative and sustainable agriculture and in particular the adaptation of agriculture and forestry to climate change.

## **2. HOW BOLZANO'S RDP WILL ADDRESS THESE CHALLENGES**

In addressing these challenges, Bolzano's RDP will fund operations under all six Rural Development priorities – with a particular emphasis on Restoring, preserving and enhancing ecosystems related to agriculture and forestry as well as Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors. The focus of each priority is explained briefly below.

### Knowledge transfer and innovation in agriculture, forestry and rural areas

Knowledge transfer system (workshops, demonstration activities, information actions and farm exchanges) will be developed through specific training courses addressed to farmers, focusing on topics such as climate change and sustainable agriculture. The programme pays particular attention to the training of new entrepreneurs, especially young farmers. Innovation is considered important and it is promoted via co-operation projects and information and knowledge transfer between the agri-food sector, researchers and other stakeholders. 6 co-operation projects will be established, including support for Operational Groups under the European Innovation Partnership, while there will be 1 330 places in training courses.

### Competitiveness of agri sector and sustainable forestry

With regard to support to farm investments and modernisation, priority is given to undertakings with innovative potential, projects of young farmers and sustainable forest management. Support is targeted to dairy farms, with 125 farms receiving RDP support for investments in restructuring or modernisation and almost 6 % of farms receiving support for young farmers to launch their businesses.

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

Primary producers will receive support for investments in products that are linked to approved quality schemes from the Province's own resources; however the RDP will contribute to the investments by funding the modernisation of dairy farms and by encouraging farmers to participate in cooperation projects that develop short supply chains and local markets. The province plans to support 20 investment projects in farms and in the processing and marketing of agricultural products.

### Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Under this priority, Bolzano will focus on environment/climate-friendly farm investments and investments in more resilient forest ecosystems. Around 26 % of the agricultural land will be under management contracts supporting biodiversity, 5.5 % under contracts

to improve water management and another 22 % will contribute to soil erosion management.

Around 60% of the allocated EAFRD amount will be used for area-based payments to farmers for using environment/climate friendly land management practices, including organic farming and to areas facing natural constraints.

#### Resource efficiency and climate

This priority aims to support the shift towards a low carbon and climate-resilient economy in agriculture and forestry and it will be supported through area-based payments. Around 14 % of agricultural land is targeting the reduction of greenhouse gases and ammonia emissions and 8 % of agricultural and forest land will come under management contracts to contribute to carbon sequestration or conservation.

#### Social inclusion and local development in rural areas

This priority is implemented mainly by the bottom up approach through Local Development Strategies drawn up by the expected 4 LEADER Local Action Groups (LAGs). Basic services will be improved for 0,19% of the rural population. Around 2.43 % of the rural population will also benefit from new or improved broadband infrastructure thanks to investments under this priority. Local Development Strategies, which cover 17 % of the rural population, will create 50 additional jobs.

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

- € 117 million allocated to measure 13 (Areas with natural and specific constraints)
- € 100 million allocated to measure 10 (Agro-environment-climate)
- € 48 million allocated to measure 4 (Investments in physical assets)
- € 25 million allocated to measure 6 (Farm and business development)

## Annex 1: Indicative public support for the Rural Development Programme in Bolzano

Target	Measure	€ Total public	%
<b>Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas<sup>1</sup></b>			
1A: Fostering innovation, cooperation, knowledge base 0.87 % of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) 6 cooperation projects	16 cooperation		
1C: Training 1 330 participants trained	01 knowledge		
<b>Priority 2: Farm viability, competitiveness and sustainable forest management</b>		<b>40 470 896</b>	<b>11.05</b>
2A: Economic performance, restructuring & modernisation 0.62 % of holdings with RDP support	01 knowledge	250 000	0.01
	04 investments	10 500 000	2.87
	08 forest	4 000 000	1.09
2B: Generational renewal 5.93 % of holdings with RDP supported business development plan/investments for young farmers	06 farm / business development	25 720 896	7.02
<b>Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management</b>		<b>36 356 522</b>	<b>9.92</b>
3A: Improving competitiveness of primary producers	01 knowledge	550 000	0.15
	04 investments	34 006 522	9.28
	16 cooperation	1 800 000	0.49

<sup>1</sup> No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas.

<b>Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry<sup>2</sup></b>		<b>207 900 000</b>	<b>56.74</b>
4A Biodiversity	01 knowledge	300 000	0.08
0.19 % of forest/other wooded area under contracts	04 investment	3 500 000	0.96
26.19 % of agricultural land under contracts			
4B Water management	06 forest	16 600 000	4.53
12.99 % of agricultural land under contracts	10 AEC	61 500 000	16.78
4C Soil erosion and management	11 organic farming	9 000 000	2.46
22.35 % of agricultural land under contracts	13 ANC	117 000 000	31.93
0.19 % of forestry land under contracts			
<b>Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors</b>		<b>40 200 000</b>	<b>10.97</b>
5C Renewable energy	01 knowledge	300 000	0.08
Number of participants trained 600			
5D Reducing GHG and NH3	10 AEC	19 250 000	5.25
13.62 % of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions			
5E Carbon conservation and sequestration	08 Forests	1 400 000	0.38
5.35 % of agricultural and forest land under management contracts contributing to carbon sequestration or conservation	10 AEC	19 250 000	5.25
<b>Priority 6: Social inclusion, poverty reduction and economic development in rural areas</b>		<b>39 077 962</b>	<b>10.67</b>
6B Fostering local development	07 Basic services	3 500 000	0.96
<u>17.49 %</u> rural population under local development strategies			
0.19% of rural population benefiting from new or improved services/infrastructures	19 LEADER and CLLD	20 298 858	5.54
<u>50 jobs</u> created (via LEADER)			
6C Access to and quality of ICT	07 basic services	15 279 104	4.17
2.43 % of rural population benefiting from new or improved services/infrastructures (ICT)			
<b>Technical Assistance</b>		2 400 000	0.66
<b>Total public expenditure €</b>		<b>366 405 380</b>	<b>100</b>

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