



Factsheet on 2014-2020 Rural Development Programme for Molise

The Rural Development Programme (RDP) for the Region of Molise was formally adopted by the European Commission on July 6th 2015, outlining Molise's priorities for using the nearly € 207.8 million of public money that is available for the 7-year period 2014-2020 (€ 99.7 million from the EU budget and € 108 million of national co-funding).

The RDP for Molise focuses mainly on 3 priority areas. Under "Preserving and enhancing ecosystem and resources efficiency and climate" 13% of the regional UAA (197 250 ha) will be under managing contracts supporting biodiversity, water and soil; under "Competitiveness" the Region will support 200 investment projects to restructure and modernize farms and over 120 young farmers will be granted business start-up aid; under "Social inclusion" 64% of the rural population will benefit of the strategies locally developed to be financed to improve living conditions in rural areas including development of local services and infrastructures. Food chain organisation is also targeted by the program by financing 110 farms to adhere for the first time to recognized EU and national quality schemes and supporting projects in the aim of increasing and stabilizing the profitability of the primary produces.

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 Molise 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 budget.

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.

Molise is categorized as a region in transition. It covers an area of 4 438 km², of which 98 % is rural. Of the 319,101 inhabitants, 80% lives in rural areas. The average population density is 70 inhab/Km².

Of the total area, agricultural land covers 63 % and forest land 25 %. The utilized agricultural area (UAA) is 197 517 ha; 72.3% of farm land is used for arable crops. Most

of the agricultural production produced in 6 568 professional farms is made by cereals (30%). Fruit and vegetable, olive-oil and wine follow. Organic farming covers only 4 810 ha (0.7% of the farms). Animal husbandry is quite extensive in mountains. About 4 022 of the farms raise dairy cattle, sheep and pork for meat and dairy products production.

Molise has an average employment rate of 50% (55% national average); unemployment rate of 15.8% (year 2013) and the young unemployment rate is 31.7%. Agriculture contributes to the 4.4% of the added value produced in the Region.

Natura 2000 covers 26% (118 724 ha) of the regional territory with 88 SCI and 23 ZPS. Areas classified as less-favoured mountains areas cover 45.71% of the UAA.

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

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

In addressing these challenges, Molise'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). All others Priorities are addressed by the program too.

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 agricultural holdings, as well as for the development of rural areas.

Over 578 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 help launch more than 18 co-operation projects.

Competitiveness of agri sector

Support will be targeted to process and product innovation in farms as well as agro-industrial holdings. The objective is to improve output and product quality, combined with a reduction of production costs. Similarly important are the reinforcement of environmental sustainability, energy efficiency and the improvement of 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 200 investment projects to restructure or modernise farms and over 120 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 producers but the modernisation of production processes and support for quality production are also given priority. 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 400 investment projects will be supported for total public cost of 30 million euros.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Under this priority, Molise wants to safeguard water quality through the promotion of agricultural production techniques that reduce pressure on the environment, combating erosion in hills and mountain areas and enhancing soil organic matter. 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. In order to achieve these objectives, the region also aims at strengthening collective approaches at local level.

Nearly 13 % of the agricultural land will be under management contracts supporting biodiversity, 12.6% under management contracts supporting water management and 13.1% of the agricultural land will be under management contracts supporting soil management. Over 8 300 hectares will receive support to convert to organic farming and another 6 700 ha to maintain organic production.

Resource efficiency and climate

The actions proposed for climate change mitigation and adaptation refer to around 20,000 hectares of agricultural land and forestry under management, 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). The grassroots action of Local Action Groups (LAGs) and development of local services are vital for social inclusion and for better living conditions in less developed rural areas.

More than 80 beneficiaries will receive support for investments in non-agricultural activities in rural areas, while basic services will be improved for more than 47.36% of the rural population.

Local Development Strategies (LEADER), which covers 63 % of the rural population (161 000 inhabitants), will create 77 additional jobs.

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

- € 55 million allocated to M4 (investments in physical assets)
- € 30 million allocated to M7 (Basic services)
- € 23.8 million allocated to M13 (ANC)
- € 32 million allocated to M10 and M11 (Agro-env-clima and Organic farming)

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

Target	Measure	€ Total public	%
Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas¹			
1A: Fostering innovation, cooperation, knowledge base 10.72% of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) 18 cooperation projects	16 cooperation		
1C: Training 578 participants trained	01 knowledge		
Priority 2: Farm viability, competitiveness and sustainable forest management		52 881 250	25.45
2A: Economic performance, restructuring & modernisation 3.05% of holdings with RDP support	01 knowledge	1 081 250	0.52
	02 advisory	1 500 000	0.72
	04 investments	35 000 000	16.85
	06 farm / business development	1 000 000	0.48
	16 cooperation	6 000 000	2.89
2B: Generational renewal 1.83% of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	800.00	0.39
	02 advisory	1 500 000	0.72
	06 farm / business development	6 000 000	2.89
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		21 500 000	10.45
3A: Improving competitiveness of primary producers 1.67% of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations	02 advisory	1 500 000	0.73
	03 quality schemes	2 000 000	0.97
	04 investments	15 000 000	7.29
	16 cooperation	3 000 000	1.46

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		75 800 000	36.49
4A Biodiversity 7.47% of forest/other wooded area under contracts 13.16% of agricultural land under contracts	01 knowledge	3 500 000	1.68
	02 advisory	1 000 000	0.48
	04 investments	5 000 000	2.41
4B Water management 16.66% of agricultural land under contracts 7.47% of forestry land under contracts	08 forests	10 500 000	5.05
	10 AEC	14 000 000	6.74
	11 organic farming	18 000 000	8.66
4C Soil erosion and management 13.16% of agricultural land under contracts 7.47% of forestry land under contracts	13 ANC	23 800 000	11.46
Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors		3 500 000	1.68
5E Carbon conservation and sequestration 6.04% of agricultural and forest land under management contracts contributing to carbon sequestration or conservation	8 forests	1 500 000	0.72
	16 cooperation	2 000 000	0.96
Priority 6: Social inclusion, poverty reduction and economic development in rural areas		45 100 000	21.71
6A Diversification, creation of small enterprises and jobs 80 jobs created in supported projects	06 farm / business development	3 000 000	1.44
	01 knowledge	400 000	0.19
	07 basic services	13 000 000	6.26
6B LEADER 63.54% rural population under local development strategies 47.36% rural population with improved services/infrastructure 77 jobs created (via LEADER)	19 LEADER and CLLD	11 700 000	5.63
	07 basic services	17 000 000	8.18
6C Access to and quality of ICT 59.20% of rural population benefiting from new or improved services/infrastructures (ICT)			
Discontinued measure 113		1 968 750	0.95
Technical Assistance		7 000 000	3.37
Total public expenditure €		205 750 000	100

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