



## **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 02 July 2015, outlining Molise's priorities for using the € 210.47 million of public money that is available for the 7-year period from 2014-2020 (€ 101.02 million from the EU budget and € 109.45 million of national co-funding).

The RDP for Molise focuses mainly on three areas. As part of its efforts to preserve and enhance ecosystem and resources efficiency and climate, around 200 000 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 200 investment projects to restructure and modernize farms and over 120 young farmers will be granted business start-up aid. In addition to this, 63% of the rural population will benefit from local strategies to improve living conditions in rural areas and around 60% of the rural population will have better access to ICT infrastructure. The region will also support the inclusion of around 110 farms in recognized EU and national quality schemes.

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 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.

Molise is categorized as a region in transition. It covers an area of 4 438 km<sup>2</sup>, of which 98% is rural. Of the 319 100 inhabitants, 80% live in rural areas. The average population density is 70 inhabitants/km<sup>2</sup>.

Of the total area, agricultural land covers 63% and forest 25%. The utilized agricultural area (UAA) is around 200 000 ha. 72% of farm land is used for arable crops. The region's 6 600 farms produce cereals (30%) as well as fruit and vegetable, olive-oil and wine. Organic farming is still relatively low, covering only 3 230 ha (1.6% of UAA). Animal

husbandry is quite extensive in mountains. About 4 000 farms raise dairy cattle, sheep and pork for meat and dairy.

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

Natura 2000 covers 26% (119 000 ha) of the regional territory. Areas classified as less-favoured mountains areas cover 46% of the UAA.

The chief environmental challenges relate to 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 the six Rural Development priorities – with a particular emphasis on competitiveness (Priority 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 600 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 18 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 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 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 300 investment projects will receive support..

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

Under this priority, Molise will safeguard water quality through the promotion of agricultural production techniques that reduce pressure on the environment, combat erosion in hills and mountain areas and improve 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.

13 % of the agricultural land will be under management contracts supporting biodiversity, 17% under management contracts supporting water management and 13% 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 will target around 12 000 hectares of agricultural land and forestry. 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 almost half of the rural population.

Local Development Strategies (LEADER), which covers 63 % of the rural population (161 000 inhabitants), will create 77 additional jobs and around 60 % of the rural population will have better access to ICT infrastructure.

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)
- € 18 million allocated to M11 (Organic farming)

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

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 9.98% 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		
<b>Priority 2: Farm viability, competitiveness and sustainable forest management</b>		<b>56 600 000</b>	<b>26.42</b>
2A: Economic performance, restructuring & modernisation 3.05% of holdings with RDP support	01 knowledge	1 300 000	0.62
	02 advisory	3 000 000	1.43
	04 investments	35 000 000	16.63
	06 farm / business development	1 000 000	0.48
	16 cooperation	6 000 000	2.8
2B: Generational renewal 1.83% of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	800 000	0.38
	02 advisory	2 500 000	1.19
	06 farm / business development	6 000 000	2.8
<b>Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management</b>		<b>21 500 000</b>	<b>10.22</b>
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	0.71
	03 quality schemes	2 000 000	0.95
	04 investments	15 000 000	7.13
	16 cooperation	3 000 000	%(

<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>75 800 000</b>	<b>36.01</b>
4A Biodiversity 7.47% of forest/other wooded area under contracts 13.16% of agricultural land under contracts	01 knowledge	3 500 000	%**
	02 advisory	1 000 000	0.48
	04 investments	5 000 000	2.38
4B Water management 16.66% of agricultural land under contracts 7.47% of forestry land under contracts	08 forests	10 500 000	4.99
	10 AEC	14 000 000	6.65
	11 organic farming	18 000 000	8.55
4C Soil erosion and management 13.16% of agricultural land under contracts 7.47% of forestry land under contracts	13 ANC	23 800 000	11.31
<b>Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors</b>		<b>3 500 000</b>	<b>1.66</b>
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	0.71
	16 cooperation	2 000 000	0.95
<b>Priority 6: Social inclusion, poverty reduction and economic development in rural areas</b>		<b>45 100 000</b>	<b>21.43</b>
6A Diversification, creation of small enterprises and jobs 80 jobs created in supported projects	06 farm / business development	3 000 000	1.43
6B LEADER 63.54% rural population under local development strategies 47.36% rural population with improved services/infrastructure 77 jobs created (via LEADER)	01 knowledge	400 000	0.19
	07 basic services	13 000 000	6.18
	19 LEADER and CLLD	11 700 000	5.56
6C Access to and quality of ICT 59.20% of rural population benefiting from new or improved services/infrastructures (ICT)	07 basic services	17 000 000	8.08
<b>Discontinued measure 113</b>		<b>1 968 750</b>	<b>0.94</b>
<b>Technical Assistance</b>		<b>7 000 000</b>	<b>3.33</b>
<b>Total public expenditure €</b>		<b>210 468 750</b>	<b>100</b>

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