



## Factsheet on 2014-2020 Rural Development Programme for Puglia

The Rural Development Programme (RDP) for Puglia was formally adopted by the European Commission on 24 November 2015, outlining Puglia's priorities for using the € 1.62 billion of public money that is available for the 7-year period 2014-2020 (€ 978 million from the EU budget and € 639 million of national co-funding).

Puglia's RDP puts particular emphasis on actions related to improving the competitiveness of agriculture as well as on restoring, preserving and enhancing agriculture and forestry ecosystems (each having a share around one third of the financial resources). Over 2 200 farmers will receive support to restructure or modernise their farms and 2 000 young farmers will be granted business start-up aid. Investments will also be encouraged through activation of two specific guarantee funds that will support investments: for restructuring or modernisation of agricultural holdings, for processing and marketing of agricultural products and in creation and development of non-agricultural activities. About 30% of agricultural land is expected to come under management contracts supporting the environment, meaning that around 62 000 hectares will be targeted to specific biodiversity objectives, 150 000 hectares will be under contracts to improve water management and 180 000 hectares to improve soil management and/or soil erosion. In addition, almost 139 000 hectares of farmland will receive support to either convert to or maintain organic farming. Furthermore, the Region aims at providing training to more than 8 600 participants. 30 operations will be supported in renewable energy production. Finally, as for the rural population, 94% will be concerned by local development strategies, developed by LEADER Local Action Groups, 17.4% is targeted to be provided with improved services or infrastructures and 15% will have access to improved ICT and 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.

This document provides a brief overview of how the challenges and opportunities Puglia 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 (including "less developed", "transition" and "more developed" regions). In addition, the National Rural Network Programme provides the funding for the networking of rural development actors in Italy.

Puglia is a southern region classified as "less developed". It covers an area of 19 541 km<sup>2</sup> and has a population of 4.09 million inhabitants, out of which 85.1% live in rural areas. 17.2% of rural areas are considered to have development issues, covering 4% of the population. The intermediate rural areas cover 48.3% in terms of area and 46.8% in terms of population and urban and peri-urban areas cover 3.1% in terms of area and 15.1% of the population. The overall employment rate is 45% (below the national average), whereas the unemployment rate is 15.7% overall but rising to 41.5% for young people (above the national average).

The Region is characterized mainly by flatland and some smaller hills, having almost no mountainous area. Its territory consists of 7.5% of forest land and 83.2% agricultural land (representing 10% of the Italian utilized agricultural area UUA). The UAA is 1 285 290 hectares, of which 51% are arable crops, 8% permanent grassland and 41% permanent crops (mainly vines and olive). The animal husbandry sector is rather insignificant accounting only for 1.4% of the regional agricultural holdings.

There are 272 000 farms in the Region, mainly run by families. 94% of the agricultural holdings are specialised, in particular in olive production (54%). Other key sectors are vine, fruit and vegetables. The average size of farms is around 4.7 ha. The small size of the farms and resulting land fragmentation have been identified as a major challenge for the Region's agriculture along with the problem of generational renewal. In terms of competitiveness of agriculture, a major challenge faced by the Puglia is represented by the pursuit of a higher degree of efficiency either through increasing farm size or through aggregation processes.

The Region faces a series of environmental problems such as desertification, droughts, decrease in biodiversity, soil erosion, extensive water use in agriculture, a dramatic reduction of the number of local species. As for renewable energies, only 10% of regional energy production comes from such sources.

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

In addressing these challenges, Puglia's RDP will fund actions under all six Rural Development priorities, with a particular emphasis on preserving, restoring and enhancing the ecosystems related to agriculture and forestry as well as on improving the competitiveness of agriculture. The focus of each priority is explained briefly below.

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

The Region under this priority aims to boost interest in training and advisory initiatives. Knowledge transfer will address the training, coaching, information and advisory needs of the agricultural, food and forestry sectors as well other land holder and SMEs in rural areas, in particular related to sustainable agricultural and forestry practices, regulatory issues, innovation and technology, quality products and diversification. 8 667 places will be made available in training courses. An important element is innovation: 118 projects will be supported to strengthen the link between agriculture, food and forestry sectors and research and the programme will implement the European Innovation Partnership.

### Competitiveness of agri sector and sustainable forestry

To face the challenge of competitiveness RDP provides funding for actions supported by five different measures. In terms of financing, the most important ones are investments in physical assets (with 31% of the RDP's financial allocation) and farm and business development (supporting establishment of 2 000 young farmers and diversification into non-agricultural activities such as rural tourism and production of renewable energy). Two specific guarantee funds will also contribute in supporting investments in physical assets and in farm and business development. In addition, support is available for cooperation projects and the forest sector will also be supported through investments in forestry technologies and in processing of forest products.

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

Under this priority, Puglia aims at supporting around 1 700 agricultural holdings for the participation of farmers in quality schemes, local markets and short supply circuits, as well as investments in the processing and marketing of agricultural products (which will affect 5% agro-food holdings). Two specific guarantee funds will also contribute in supporting investments in the processing and marketing of agricultural products. The RDP also provides support for actions to prevent and repair damage caused by natural disasters, in synergy with specific actions under the national RDP. In this context it is particularly important for Puglia to support investments for the prevention of damage caused by *Xylella fastidiosa* hitting hardily the Region's olive trees.

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

Under this priority, facing a major challenge to the Puglia, the RDP aims to support environmental-friendly farm practices going beyond the obligations imposed by environmental legislation and the greening of the CAP. In particular, 34% of the allocated EAFRD amount will be dedicated to area-based payments to farmers for using environment/climate-friendly land management practices, including organic farming.

Under this priority, Puglia will focus on environment-friendly farm investments and management procedures, with a particular emphasis on quality of water: 11.7% of agricultural land will be under contracts to improve water management. The problem of water erosion will be tackled by placing almost 14% of the agricultural land under management contracts combating soil erosion. 4.8% of agricultural land and 2.2% of forestry land will be under management contracts supporting biodiversity.

### Resource efficiency and climate

Under this priority, RDP Puglia will pursue carbon conservation and sequestration mainly by supporting afforestation, agroforestry systems, the prevention and restoration of damage to forest, the improvement of the resilience and environmental value of forest ecosystems, as well as their conservation, also by encouraging environmentally and climate friendly forest conservation services.

The RDP will also pursue a higher efficiency of water use with 13 % of irrigated land switching to more efficient irrigation system. The region also expects investments of around € 6 million of public and private funds in renewable energy production.

### Social inclusion and local development in rural areas

The main action of the RDP Puglia under this priority refer to ultra-broadband infrastructure with € 20 million public allocation in order to cover 14.5% more of the rural population with ICT

infrastructure) and support for local development strategies (LEADER) which covers 94.3% of the rural population and includes the creation of about 400 additional jobs through LEADER.

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

€ 525 million allocated to measure 4 (Investments in physical assets)

€ 249 million allocated to measure 11 (Organic farming)

€ 192 million allocated to measure 10 (Agri-environment-climate)

€ 170 million allocated to measure 6 (Farm and business development).

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

Target	Measure	Total public €	%
<b>Priority 1: Knowledge transfer and innovation in agriculture, forestry and rural areas<sup>1</sup></b>			
1A: Fostering innovation, cooperation and knowledge base in rural areas 6.32% of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: strengthening links between agriculture, food production and forestry, on the one hand, and research and innovation, on the other hand, in order to improve the management and environmental performance 118 cooperation projects	16 cooperation		
1C: Training 8 667 participants in training actions	01 knowledge		
<b>Priority 2: Competitiveness and farm profitability, sustainable management of forests</b>		<b>559 000 000</b>	<b>34.58</b>
2A: Economic performance, restructuring & modernization 0.82% of holdings with RDP support	04 investments	221 000 000	13.67
	06 farm business development	70 000 000	4.33
	08 forest	5 000 000	0.31
	16 cooperation	33 000 000	2.04
2B: Generational renewal 0.74% of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	25 000 000	1.55
	04 investments	105 000 000	6.49
	06 farm business development	100 000 000	6.19

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

<b>Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management</b>		<b>154 849 587</b>	<b>9.58</b>
3A: Improving competitiveness of primary producers 0.63% of farms supported 5% of agri-food holdings receiving support under sub-measure 4.2	02 advisory	11 849 587	0.73
	03 quality schemes	18 000 000	1.11
	04 investments	90 000 000	5.57
	09 producer groups/organisation	5 000 000	0.31
	16 cooperation	10 000 000	0.62
3B: Farm risk prevention and management 0.74% of farms participating in schemes risk management and 0.75% of agricultural holdings receiving support under sub-measure 5.1	05 restoring agricultural potential	20 000 000	1.24
<b>Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry<sup>2</sup></b>		<b>556 287 316</b>	<b>34.41</b>
4A Biodiversity 4.80% of agricultural land under contracts 2.23% of forest/other wooded land under contracts	04 investments	75 000 000	4.64
	08 forests	40 000 000	2.47
	10 AEC	192 000 000	11.88
4B Water management 11.67% of agricultural land under contracts 2.23% of forest/other wooded land under contracts	11 organic farming	249 000 000	15.40
	12 Natura 2000	277.316	0.02
4C Soil erosion and management 14% of agricultural land under contracts 2.23% of forest/other wooded land under contracts	13 Area with natural constraints	10 000	0.00

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

<b>Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors</b>		<b>131 000 000</b>	<b>8.10</b>
5A Water efficiency 12.98% of irrigated agricultural land under support	04 investments	28 000 000	1.73
	16 cooperation	20 000 000	1.24
5B Energy efficiency 20 projects implemented under sub-measure 16.6	16 cooperation	10 000 000	0.62
5C Renewable energy €6 000 000 investment	04 investments	6 000 000	0.37
5E Carbon conservation and sequestration 8.54% of agricultural land under management contracts contributing to carbon sequestration or conservation	08 forests	65 000 000	4.02
	16 cooperation	2 000 000	0.12
<b>Priority 6: Social inclusion, poverty reduction and economic development in rural areas</b>		<b>178 000 000</b>	<b>11.01</b>
6B LEADER 94.3% of rural population under local development strategies 17.41% of rural population with improved services/infrastructure 400 jobs created (via Leader)	19 LEADER	158 000 000	9.77
6C Access to and quality of ICT 14.51% of rural population benefiting from new or improved services/infrastructure (ICT)	07 basic services	20 000 000	1.24
<b>Technical assistance</b>		<b>37 547 147</b>	<b>2.32</b>
<b>Discontinued measure (M133)</b>		<b>45 529</b>	<b>0.00</b>
<b>Total public expenditure (€)</b>		<b>1 616 730 579</b>	<b>100%</b>