



Factsheet on 2014-2020 Rural Development Programme for Sardinia

The Rural Development Programme (RDP) for Sardinia was formally adopted by the European Commission on August 19th 2015, outlining Sardinia priorities for using the nearly € 1.3 billion of public money that is available for the 7-year period 2014-2020 (over € 620 million from the EU budget, including nearly € 670 million of national co-funding).

Sardinia's RDP is putting particular emphasis on environment-climate-friendly farm investments and on actions related to restoring, preserving and enhancing ecosystem. Nearly 17 % of the agricultural land will be under management contracts supporting biodiversity, 15 % under contracts to improve water management and another 19 % under contracts to improve soil management. Animal welfare is also high on the agenda. Over 1 870 holding will receive investment support to restructure and modernise, 1 120 young farmers will receive support to launch their business and the region will implement the European Innovation Partnership to help deliver innovative solutions for the farm sector. In addition Sardinia's RDP will contribute to social inclusion and economic development in rural areas with 40 % of the rural population covered by local development strategies.

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 Sardinia 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.

Sardinia covers an area of nearly 24 100 km², of which more than 81 % is rural. Of the total area, agricultural land covers 44 % and forest land 17 % and another 35 % consists of natural grassland and natural areas. The unemployment rate is almost 18 % (2015). Sardinia has nearly 1.7 million inhabitants, of which 83 % live in rural areas. Besides

farming, the food sector also plays an important role within rural areas, but both sectors are facing structural changes.

Sardinia has been for thousands of years specializing in sheep breeding and, to a lesser extent, goats and cattle. Higher standard of animal husbandry is one of the main challenges of the RDP.

Soils are largely underpowered, shallow and therefore not very productive although agriculture has played a very important role in the economic history of the island, especially in the great plain of Campidano, particularly suitable for wheat farming.

Water scarcity was the first problem that was faced for the modernization of the sector and it is still one of the main environmental problems.

Sardinia's rural areas are challenged by a persistent loss of business activity, migration of labour force, and demographic changes.

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

In addressing these challenges, Sardinia's RDP will fund action under six Rural Development priorities – with a particular emphasis on restoring, preserving and enhancing ecosystems related to agriculture and forestry as well as the competitiveness of the agri sector and food chain organisation/animal welfare. The focus of each priority is explained briefly below.

Knowledge transfer and innovation in agriculture, forestry and rural areas

Knowledge transfer system (demonstration activities, information actions and exchange visits) will be enhanced through specific training addressed to farmers with regard notably to climate change, sustainable agriculture and food quality. Particular attention will be paid to the training of new entrepreneurs, especially young farmers. Over 9000 places will be made available in information activities 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 77 co-operation projects of which 6 will be Operational Groups under the European Innovation Partnership for Agricultural Productivity and Sustainability.

Competitiveness of agri sector and sustainable forestry

Requests for support to farm investments and modernisation are ranked first among the activated RDP measures and priority will be given to undertakings with innovative potential, projects of young farmers, organic farming and integrated projects.

The sustainability of agricultural production is taken into account also by promoting a rational use of water resources and an efficient use of renewable energy resources. Diversification activities will also be supported.

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

Under this priority, Sardinia will support the promotion of quality products. The RDP is expected to support 400 farms to participate in quality schemes. The RDP will also support the development and strengthening of supply chains, including short supply chains and local markets, in order to help achieve a higher income for farmers (support is expected for 500 farms).

Support for animal welfare is also available for farmers who undertake to adopt high standards of animal husbandry which go beyond the relevant mandatory standards (nearly 11 000 farms will be supported).

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Under this priority, Sardinia will focus on environment-climate-friendly investments with particular emphasis on quality of water as well as biodiversity and soil protection. Nearly 17 % of the agricultural land will be under management contracts supporting biodiversity, 15 % for contracts to improve water management and another 19 % for contracts to improve soil management.

A total of 43 000 hectares will receive support to convert to organic farming and another 117 000 ha to maintain it. Additionally, the RDP includes a cooperation measure for joint climate change adaptation and mitigation actions.

Resource efficiency and climate

Under this priority, RDP Sardinia will pursue carbon conservation and sequestration mainly by supporting afforestation, agroforestry systems, the prevention and restoration of damage to forests, the improvement of the resilience and environmental value of forest ecosystems as well as their conservation.

Additionally, the co-operation measure will support enhanced sustainability through the European Innovation Partnership and through co-operation for climate change adaptation and mitigation.

Social inclusion and local development in rural areas

The RDP of Sardinia pays particular attention to social inclusion and economic development in rural areas. This priority is implemented mainly by the bottom-up approach through Local Development Strategies, expected to be drawn up by 13 Local Action Groups (LAGs). Local Development Strategies will cover 40 % of the rural population and create around 500 additional jobs.

More than 245 beneficiaries will receive support for investments in non-agricultural activities in rural areas.

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

- € 259,8 million allocated to measure 4 (Investments in physical assets)
- € 225,6 million allocated to measure 14 (Animal Welfare)
- € 222,6 million allocated to measure 13 (ANC)
- € 163 million allocated to measure 10 (Agri-Environment-Climate)

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

Target	Measure	€ Total public	%
Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas¹			
1A: Fostering innovation, cooperation, knowledge base 3.38 % of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) 77 cooperation projects	16 cooperation		
1C: Information action 9 000 participants trained	01 knowledge		
Priority 2: Farm viability, competitiveness and sustainable forest management		256 569 206	19.87
2A: Economic performance, restructuring & modernisation 3.08 % of holdings with RDP support	01 knowledge	70 000	0.01
	02 advisory	1 543 103	0.12
	04 investments	153 800 000	11.91
	16 cooperation	2 000 000	0.15
2B: Generational renewal 1.84 % of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	140 000	0.01
	02 advisory	1 543 103	0.12
	04 investments	36 000 000	2.79
	06 farm / business development	60 000 000	4.65
	16 Cooperation	1 500 000	0.12
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		324 061 731	25.09
3A: Improving competitiveness of primary producers 1.97 % of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations	01 knowledge	105 000	0.01
	02 advisory	1 543 103	0.12
	03 quality schemes	5 000 000	0.39
	04 investments	55 000 000	4.26
	09 producer groups	2 500 000	0.19
	14 animal welfare	225 638 229	17.47
	16 cooperation	18 420 000	1.43
3B: Farm risk prevention and management 0.82 % of farms participating in risk management schemes	01 knowledge	60 000	0.00
	02 advisory	482 069	0.04
	05 restoring agric.	15 000 000	1.16

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

	Potential 16 cooperation	313 330	0.02
Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry²		482 684 738	37.37
4A Biodiversity 0.40 % of forest/other wooded area under contracts 16.47 % of agricultural land under contracts	01 knowledge 02 advisory 07 basic services	2 170 000 2 407 242 4 000 000	0.17 0.19 0.31
4B Water management 14.61 % of agricultural land under contracts 0.40 % of forestry land under contracts	10 AEC 11 organic farming 13 ANC	163 250 000 78 250 000 222 604 167	12.64 6.06 17.24
4C Soil erosion and management 19.06 % of agricultural land under contracts 0.40 % of forestry land under contracts	15 Forest - env 16 cooperation	5 000 000 5 003 330	0.39 0.39
Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors		57 409 030	4.45
5A Water efficiency 2.38 % of irrigated land switching to more efficient irrigation systems	01 knowledge 02 advisory 04 investments	35 000 660 000 15 000 000	0.00 0.03 1.16
5C Renewable energy Total investment in renewable energy production € 7 500 000	01 knowledge 02 advisory 07 basic services	70 000 370 345 7 500 000	0.01 0.03 0.58
5E Carbon conservation and sequestration 0.68 % of agricultural and forest land under management contracts contributing to carbon sequestration or conservation	08 forests 16 cooperation	33 000 000 1 063 340	2.56 0.08
Priority 6: Social inclusion, poverty reduction and economic development in rural areas		160 759 565	12.45
6A Diversification, SME and job creation <u>380 jobs</u> created in supported projects	01 knowledge 02 advisory 06 farm / business development 07 basic services 08 forest	210 000 370 345 20 000 000 5 000 000 8 000 000	0.02 0.03 1.55 0.39 0.62

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

6B Fostering local development <u>39.64 %</u> rural population under local development strategies <u>499 jobs</u> created (via LEADER)	16 cooperation	3 300 000	0.26
	19 LEADER and CLLD	76 600 000	5.93
6C Access to and quality of ICT 3.76 % of rural population benefiting from new or improved services/infrastructures (ICT)	01 knowledge	140 000	0.01
	02 advisory	660 000	0.03
	07 basic services	46 768 875	3.62
Technical Assistance		9 976 022	0.77
Total public expenditure €		1 291 487 293	100