



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

The Rural Development Programme (RDP) for Sicily was formally adopted by the European Commission on 24 November 2015, outlining Sicily's priorities for using the € 2 213 million of public money that is available for the 7-year period 2014-2020 (€ 1 339 million from the EU budget, € 874 million of national co-funding).

Sicily's RDP is putting particular emphasis on actions related to restoring, preserving and enhancing ecosystems as well as on actions related to improving the competitiveness of the farm and forestry sectors and to promoting social inclusion and economic development in rural areas. Organic farming is extremely important as a total of almost 140 000 hectares will receive support to convert to organic farming and another 758 000 ha to maintain organic production. About 30.39% of the agricultural land is expected to come under management contracts supporting better water management, nearly 30.39 % of the agricultural land will be under contracts to improve soil management and almost 31.43% of the agricultural land will come under management contracts supporting biodiversity. To improve the competitiveness of farmers, over 1 799 farms will receive support for investments in restructuring and modernisation and 1 625 young farmers will be granted business start-up aid. Moreover, particular emphasis is put on innovation when selecting the supported operations and 2.6% of RDP public expenditure is earmarked by actions that foster innovation, cooperation and the development of the knowledge base. In this framework Sicily region will implement the European Innovation Partnership to help deliver innovative solutions to the farm sector. Finally, Sicily's RDP will contribute to social inclusion and economic development in rural areas with over 83% 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 Sicily 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.

Sicily is an insular region of southern Italy, classified as a less developed region. It covers a total area of 25 711 km<sup>2</sup> of which agricultural land covers 68.5% and forestry about 15%. Some 97% of the total area is classified as rural, while 60% of the total Utilized Agricultural Area (UAA) is currently classified as Less Favoured Area. Sicily has about 5 million inhabitants – with a high rate of elderly population (19.3%) – of which only 3.4% live in rural areas, while 50.1% live in areas classified as neither fully rural nor urban. The unemployment rate is 21% (2013) but it goes up to almost 54% among the youngsters (age between 15 and 24 years).

The region is facing structural changes: total Utilized Agricultural Area (UAA) and number of active agricultural holdings are decreasing as compared to early 2000. Today there are 219,680 farm holdings (13.6% of the total national value) with an average size of 6.3 hectares, for a total regional UAA of some 1 387 520 hectares. However, more than half of the agricultural holdings have a size of less than 2 hectares; moreover 92.2% of farms are conducted by single individuals or run by families, with a only limited number (although increasing) of additional employees and the level of professional education in agriculture remains low. More than 45% of the farms are conducted by "over 60" farmers and only 12% are managed by "under 40". Finally the sector remains affected by an overall lack of infrastructure and services throughout the territory, which influences negatively the economic development of the land as well as the quality of life of rural population.

Due to the favourable conditions of climate and soil, the most important agricultural productions of the region are: table grapes, pistachios, hazel nuts, almonds, citrus fruit, peaches, olives, olive oil, wine and cereals. The presence on numerous quality products (PDO/PGI and organic) is a significant point of strength of the regional agricultural sector.

Sicily is characterised by an outstanding naturalistic heritage: the surface covered by protected high value natural areas (parks, reserves, Natura 2000 sites) is 502,618 hectares. In addition to 223 SCI, 30 ZPS and 2 wetlands of international interest, Sicily has 238 sites part of the Natura 2000 network, covering 24.8% of the total surface area, 56.4% of the total forest area (512,121 ha) and 18.6% of the UAA (10.6% of which are pastures). To date 55 Natura 2000 Management Plan for the conservation of biodiversity are in place, in compliance with the Habitat Directive 92/43/EEC. The main environmental challenges to be tackled concern pollution, plant diseases, landslides and soil erosion.

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

In addressing the challenges, Sicily's RDP will fund operations under all six Rural Development priorities, – with a particular emphasis on "Restoring, preserving and enhancing ecosystems" as well as on "Improving the competitiveness of the farm and forestry sectors" and on "Promoting social inclusion and economic development in rural areas". The focus of each priority is explained briefly below.

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

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. Almost 3 395 places will be made available in training courses. An important element is innovation: 78 projects will be supported to strengthen the link between agriculture, food and forestry sectors and research and innovation.

### Competitiveness of agri sector and sustainable forestry

Given the ageing farmer population and the small - and lately further decreasing - size of agricultural holdings in the region, the RDP will support the start-up of 1 625 young farmers and investments and modernisation 1 799 farms, with a specific emphasis on

innovation as a means to increase competitiveness. The sustainability of agricultural production is taken into account also by promoting a reduction of energy consumption and an efficient use of renewable energy sources.

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

Under this priority, Sicily will support the promotion of quality products and the participation of farmers to quality schemes: the RDP is expected to support 1 004 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 enlarge the market of the regional products and ensure a higher added value to the farmer's production resulting in a higher income for the farmer. Cooperation and chain projects will also be supported for this purpose.

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

Under this priority, Sicily will focus on environment-friendly farm investments and management procedures: 30.39% of agricultural land will be under contracts to improve water management. The problem of erosion will be tackled by placing almost 30.39% of the agricultural land under management contracts combating soil erosion. Moreover over 31.43% of agricultural and forestry land will be under management contracts supporting biodiversity. About 35% 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 support to areas facing natural constraints. Almost 900 000 hectares of farmland will receive support to either convert or maintain organic farming.

#### Resource efficiency and climate

Through the contribution to this priority, Sicily will pursue carbon conservation and sequestration mainly by supporting environmentally and climate friendly practices, and related knowledge transfer and innovation actions; 0.13% of total regional agricultural and forest land will be under management contracts contributing to carbon sequestration and conservation.

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

RDP Sicily pays particular attention to social inclusion and economic development in rural areas (11% of the resources have been allocated to this priority), which are promoted through the support to the creation and diversification of SMEs and to farm and business development, including support to technological and ITC activities and services, and to the provision of basic services and village renewal in rural areas, also involving welfare and social care services. Moreover, Local Development Strategies will be implemented through 17 LEADER Local Action Groups and will cover over 83 % of the rural population. Thanks to the operations programmed under this priority, 495 additional jobs will be created and 2.19% of rural population will benefit from the provision of new or improved services.

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

- € 712 million allocated to measure 4 (Investments in physical assets)
- € 417 million allocated to measure 11 (Organic)
- € 245 million allocated to measure 6 (Farm / business development)
- € 226 million allocated to measure 10 (Agri-environment-climate)

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

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 2.58 % of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) 78 cooperation projects	16 cooperation		
1C: Training 3 395 participants trained	01 knowledge		
<b>Priority 2: Farm viability, competitiveness and sustainable forest management</b>		<b>680 071 653</b>	<b>30.73</b>
2A: Economic performance, restructuring & modernisation 0.82 % of holdings with RDP support	01 knowledge	3 455 000	0.16
	02 advisory	1 450 000	0.07
	04 investments	344 000 000	15.55
	06 farm / business development	80 000 000	3.62
	08 forest	2 000 000	0.09
2B: Generational renewal 0.74 % of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	2 480 496	0.11
	02 advisory	1 025 000	0.05
	04 investments	160 000 000	7.23
	06 farm / business development	85 661 157	3.87
<b>Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management</b>		<b>216 000 000</b>	<b>9.76</b>
3A: Improving competitiveness of primary producers 0.46 % of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations 2.67% of agri-food holdings supported	01 knowledge	305 000	0.01
	02 advisory	775 000	0.04
	03 quality schemes	11 000 000	0.50
	04 investments	148 000 000	6.69
	06 farm / business development	10 000 000	0.45
	16 cooperation	33 160 000	1.50
3B: Farm risk prevention and management 0.02% of farms participating in risk management schemes	01 knowledge	135 000	0.01
	02 advisory	125 000	0.01
	05 restoring agric. potential	12 500 000	0.56

<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>1 051 230 000</b>	<b>47.51</b>
4A Biodiversity 31.43 % of agricultural land under contracts 0.09 % of forest/other wooded area under contracts	01 knowledge	805 000	0.04
	02 advisory	1 875 000	0.08
4B Water management 30.39 % of agricultural land under contracts	04 investments	60 000 000	2.71
	08 forest	200 150 000	9.05
4C Soil erosion and management 30.39 % of agricultural land under contracts	10 AEC	222 000 000	10.13
	11 organic farming	417 000 000	18.85
	12 NAT 2000 and WFD	42 000 000	1.90
	13 ANC	102 400 000	4.63
	15 forest-environment	4 000 000	0.18
	16 Cooperation	1 000 000	0.05
<b>Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors</b>		<b>7 990 000</b>	<b>0.36</b>
5A Water efficiency	01 knowledge	120 000	0.01
	02 advisory	200 000	0.01
5B Energy efficiency	01 knowledge	120 000	0.01
	02 advisory	150 000	0.01
5C Renewable energy	01 knowledge	115 000	0.01
	02 advisory	200 000	0.01
	16 Cooperation	2 300 000	0.10
5D Reducing GHG and NH3	01 knowledge	165 000	0.01
	02 advisory	200 000	0.01
5E Carbon conservation / sequestration 0.13% of agricultural and forest land under contracts	01 knowledge	220 000	0.01
	02 advisory	200 000	0.01
	10 AEC	4 000 000	0.18

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

<b>Priority 6: Social inclusion, poverty reduction and economic development in rural areas</b>		<b>236 268 347</b>	<b>10.68</b>
6A Diversification, SMEs and job creation 1 066 Jobs created in supported projects	01 knowledge	634 752	0.03
	02 advisory	625 000	0.03
	M06 Farm / business development	69 038 843	3.12
	16 Cooperation	4 700 000	0.21
6B Fostering local development 83.17 % of rural population covered by local development strategies 2.19% of rural population benefiting from improved services/infrastructures 495 jobs created (via LEADER)	07 basic services	16 100 000	0.73
	19 LEADER and CLLD	122 650 000	5.54
6C Access to and quality of ICT 3.03 % of rural population benefiting from new or improved services/infrastructures (ICT)	01 knowledge	444 752	0.02
	02 advisory	175 000	0.01
	07 basic services	21 900 000	0.99
<b>Technical Assistance</b>		21 187 107	0.96
<b>Total public expenditure €</b>		<b>2 212 747 107</b>	<b>100</b>