



*European Network for
Rural Development*

**Thematic Working Group 1: Targeting territorial
specificities and needs in Rural Development Programmes**

Case Study on Mountain Less Favoured Areas

EN RD Contact Point

17 February 2011



Connecting Rural Europe

Less Favoured Mountain Areas

Mountain Less Favoured Areas (LFAs) are an important category of disadvantaged rural territory, identified within the European Community Regulations. In the current programming period (2007-2013), Mountain LFAs are exclusively the focus of Rural Development Programme (RDP) measure 211; however, RDP resources specific to other measures are also applied in these areas.

The main purpose of this case study is to provide an overview of the different rural development support measures that can provide support in mountain rural areas, and to assess how these measures have been applied by different Member States and Regions. The findings are drawn from 17 National Strategy Plans (NSP's) and 62 Rural Development Programmes¹.

Objectives

Most NSPs and all the RDPs reviewed refer to problems faced by mountain areas and/or farms. In the NSPs, problems identified include depopulation; remoteness; poor accessibility; land abandonment or degradation; and low farm competitiveness. The NSPs stated policy objectives include the reverse of depopulation; improvement of economic and social opportunities; biodiversity protection; and enhancement of rural heritage.

RDP measures and resources

All the 62 RDP investigated apply measure 211, which is specific to Mountain LFAs, while about half of them also apply measure 212 (Payments to farmers in areas with handicaps). Several other RDP measures are applied to Mountain LFAs; most frequently, these are specific to axes 1 and 2 and include agri-environment payments (214), modernisation of agricultural holdings (121), restoring forestry potential (226), productive and non-productive investments in forestry (122; 227) and setting up of young farmers (112). Only in a minority of RDPs studied did axis 3 measures apply in mountain LFAs. RDP financial resources from the European Fund for Rural Development (EAFRD) allocated for supporting the Mountain LFAs are significant. Measure 211 alone brings 5.5 billion euros to these areas, and in certain cases this measure accounts for more than a fifth of RDP budget.

Beneficiaries

Active farmers of mountain LFAs are the beneficiaries of measure 211 and they can also receive support from measures 112, 121 and 214, while the rural population of these areas can benefit from axes 3 and 4 measures.

Coherence

In the case of most NSPs and RDPs reviewed, the lack of information on resources devoted to Mountain LFAs from outside the RDPs, does not facilitate a verdict on coherence.

Specific examples

In order to provide a practical illustration of the above, a more detailed and comparative analysis is provided between the RDPs of two mountainous areas of Europe: the RDP for Valle d'Aosta, one of the most mountainous regions in Italy and the RDP of Slovenia where more than 70% of the national territory is classified as Mountain LFAs.

¹ Based on information extracted from the EN RD Draft Working Paper, 'Mountain Areas / Mountain farming NSP and RDP Screening Results' and utilised in the Final Report of EN RD Thematic Working Group 1.

Definitions

Italy (Valle d' Aosta)

The RDP of Valle d'Aosta region states that its entire territory, apart from the urban settlement of Aosta, is a 'Rural Area with Complex Problems of Development'² with almost all its territory classified as Mountain LFA, defined by reference to altitude, physical disadvantage (steep slopes, poor soil quality), low agricultural productivity, extensive farming, and a strong diffusion of multi-activity models (with many part-time farmers).

Slovenia

In Slovenia, 72% of the land is classified as mountain LFA. This area is characterised by high or medium altitude, physical disadvantages (e.g. steep slopes), low agricultural productivity and is quite clearly defined within the Slovenian RDP.

Objectives

The Italian NSP proposes interventions focused on maintaining farming activities, preservation of biodiversity and restoration of natural habitats. In alignment the RDP of Valle d'Aosta visualizes mountains as areas of integrated and multi-functional rural development; gives priority to maintaining farm activity; preserving mountain pastures; improving accessibility and land-use patterns; properly managing forests and improving their multi-functional role; and decreasing the risk of natural hazards.

The Slovenian RDP in relation to Mountain LFAs focuses on the problems of soil erosion, remoteness and poor accessibility, small size farms with lack of competitiveness and deforestation. To address these issues the RDP sets as its policy objectives the protection of biodiversity and landscape; reversion of depopulation and land abandonment; forest conservation and quality of life improvement.

RDP measures and resources

The RDP for Valle d' Aosta devotes €44.7 million to measure 211. Measure 214, attracts €28.7 million. Measures specific to axis 3 and 4 account for €12.3 million and €8.9 million of public spending, respectively, while public spending on measure 112 has a budget of €4.8 million. In total, planned RDP public spending on the Valle d' Aosta mountain areas amounts to €99.4 million (83.7% of total public expenditure).

In the Slovenian case, policy objectives in Mountain LFAs are pursued through measures 211, 121, 122 and 214. Dedicated funds are €236.9 million (21.1% of RDP budget) for Measure 211; also an unstated proportion of the following amounts is directed to these disadvantaged areas – €82.3 million (7.3%) for Measure 121, €24.9 million (2%) for Measure 122, and €305.2 million (27%) for Measure 214.

Beneficiaries

In Valle d' Aosta, there are several rates of support, which are specific to Alpine zones (1,800-2,500 m.) and range from €250 per ha for holdings up to 20 ha to €50 per ha for those between 160 and 200 ha. In lower (but still mountainous) zones, for livestock units over 0.5 LSU³/ha, rates range from €600 per ha (units up to 15 ha) to 200 ha (more than 20 ha), while for those under 0.5 LSU per ha, rates are €300 per ha (up to 2 ha) and €200 per ha (over 2 ha). In the case of other farms, rates range from €800 per ha (for small fruit, orchards, vineyards, potatoes, aromatic plants, flowers) to €200 per ha for shell fruit. In no case can a farmer receive more than €800 per ha.

² In Italy a modified form of the OECD definition was used to specify rural areas. The outcome was a distinction between four types of zones, namely: Urban Poles; Rural Areas with Specialised Intensive Agriculture; Intermediate Rural Areas; and Rural Areas with Complex Problems of Development.

³ Livestock Unit(s).

In Slovenia, there is a minimum area per farm holding (1 ha) in order to be eligible for this measure, while support rates of measure 211 are reduced by 50% in the case of farms over 100 ha. Also, beneficiaries have to continue farming for at least 5 years.

Targets

In Valle d' Aosta 3,200 farm holdings per annum are targeted by measure 211 over the 2007-2013 period; 51,000 ha of farmland per annum are targeted in terms of preventing marginalization and abandonment; there is also a target of reversing biodiversity degradation by 3%. In the case of other measures specific to mountain areas in this region, measure 112 targets 10,000 entrants; measure 214, 2,400 farms and 46,000 ha of farmland; measure 311, 50 beneficiaries and 90 new jobs economy-wide; measure 313, 20 beneficiaries and 70 jobs economy-wide; measure 322, 40 villages and 80 jobs; and measure 413, 80 projects and 150 new jobs.

In Slovenia, the only specific targeting to mountain LFAs is 33,000 holdings and 226,000 ha per annum through measure 211.

Other funds

In Valle d' Aosta, in addition to RDP funding, a further €31.5 million of regional funds is dedicated to measure 211, while measure 214 attracts a further €20.2 million of regional funds. There is no systematic information on the resources that are devoted to mountain areas from outside the RDP.

In Slovenia, the RDP states that rural areas generally may benefit from funding from the ERDF, CF, ESF, EFF, LIFE+ programme and national funds other than the RDP. However, there is no indication of whether, and to what extent, these funds can benefit the Mountain LFAs.

Coherence

The approach taken by the RDP for Valle d' Aosta appears quite coherent, as it provides information on constraints and needs specific to mountain areas, applies appropriate measures to address those needs, and commits a very significant proportion of the RDP budget, plus additional regional funds, to the pursuit of those measures. It also foresees some degree of complementarity between the different EU funds, and implies that this will be achieved through Leader and local development strategies. On the other hand, it does not provide details on the deployment of non-EAFRD funds in these areas.

In contrast, the Slovenian RDP does not deal with the above aspects in such a satisfactory manner, applies a rather narrow range of measures, and does not appear to address all policy objectives stated for these areas. Also, with the exception of measure 211, the proportion of the RDP budget planned to be applied to these areas is unclear.

Conclusion on Mountain Less Favoured Areas

This investigation has shown that EU Member States and regions recognise the needs of RD intervention in Mountain LFAs, in an effort to ensure the continuance of farming, counter depopulation, improve economic and social opportunities, protect biodiversity, and enhance the rural heritage. To this end, they apply a wide range of measures, mainly from Axes 1 and 2 of the EAFRD. Significant funds have been dedicated to measure 211, which exclusively targets these areas. However, as shown in the two case studies, there are differences in the manner of targeting the development needs of those special rural areas. In Italy (Valle d' Aosta region) a coherent development approach has been pursued, in the context of which a wide range of RDP measures are utilized and significant funds are dedicated for Mountain LFAs. In Slovenia, strategic coherence is rather poor, and measures/funds dedicated to these areas are unclear. Also, in both areas no concrete information is available on the nature and extent of intervention by other EU funds in these areas.

For further information on Mountain LFA: please see the EC Staff Working Paper, "Peak Performance: New insights into Mountain Farming in the EU", (SEC [2009] 1724 Final).