

Rural Development Programme (RDP) of Molise, Italy

**Programma di Sviluppo Rurale 2007-2013
– version 14 December 2009¹**
(Rural Development Programme for Molise
2007-2013)

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Managing Authority Website:

<http://www.regione.molise.it>

Other useful links:

Rural Development Programme (RDP):
http://enrd.ec.europa.eu/rural-development-policy/country-information/italy/en/italy_home_en.cfm

National Strategy Plan (NSP):
<http://www.reterurale.it/flex/cm/pages/ServeBLob.php/L/IT/IDPagina/1145>

Italian National Rural Network (NRN):
<http://www.reterurale.it>



Map of Molise
(© European Commission)

General socio-economic situation in rural areas in the Molise region

Located in Southern Italy, Molise is a mountainous (55.3%) and hilly (44.7%) region with a surface of 4,483 km². According to data included in the September 2008 RDP, there are 321,950 inhabitants in the region, of which 81% live in rural areas. The unemployment rate (10.1%) is higher than the national average (7.7%). Approximately 33,970 agricultural holdings manage 214,940 ha of Utilised Agricultural Area (UAA), with an average size of 6.4 ha of UAA per holding. A further 32.8% (145,300,000 ha) of the region's territory is covered by forests. Of the total cultivated land, 72% is arable land, 18% permanent pastures and 10% permanent crops. With regard to the average size of agricultural holdings, 34.3% are below 1 ESU (European Size Unit), 68.9% less than 4 ESU, and only 0.2% above 100 ESU. Moreover, 76.9% of the regional surface is considered disadvantaged, with a net prevalence of mountainous areas. Agricultural outputs include herbaceous crops (43.7%), especially cereal (22.5%), followed by potatoes and vegetables (9.8%), green fodder (7.1%), and industrial plants (4%). Poultry farming is the most important animal husbandry sector (38.6%).

According to the RDP of Molise, the region has important strengths in terms of the environment and countryside such as: a high prevalence of rural areas and low pressure to urbanise; significant biodiversity, consistent with the variety of habitats that the region possesses; a wide diffusion of meadows and pastures; a strong presence of typical regional produce; favourable environmental conditions for bio-energy production; and significant areas covered with forests and woodlands. In

¹ Latest updated RDP, following the adoption of the Health Check and European Economic Recovery Package and additional funds from Modulation.

the same context, the RDP also lists the weaknesses of the region such as: the scarce availability of inland water resources and the inadequate management of the resource; the increasing use of fossil fuel in the agricultural sector; the loss of biodiversity in some areas; the tendency to abandon agricultural activities, accompanied by risks to the environment and landscape in certain areas; the vulnerability of soil and water resources in most parts of the region (51%); and the significant presence of areas with high seismic risk (57.5%).

RDP strategic objectives

The overall aim of the RDP is to strengthen competitiveness, develop a sustainable use of natural resources and improve the global attractiveness of rural areas through an integrated approach to the development of the agricultural and forestry sectors, environment, bio-energy, rural tourism and services. The specific objectives of the RDP of Molise are: to improve competitiveness in the agricultural sector; and, to address social developments in especially mountainous areas where the demographic profile has weakened due to progressive desertification and hence challenges the working age population in rural areas. The overall objectives of the Italian National Strategy Plan were adapted in line with the needs of the regional sectors and taking into account the acquired experience in implementing regional development policies.

Given the additional financing provided by the CAP Health Check, the European Economic Recovery Package and Modulation/CMO Wine, the Molise RDP was revised in 2009 in order to strengthen operations and measures targeted at reversing biodiversity decline (which received 83% of the new funds) and improving broadband internet infrastructure in rural areas (17%).

Expected impact / outcomes of the policies

Among the expected results listed by the Molise RDP are: an economic growth of €12.95 million, an increase in labour productivity (change in gross value added per full-time equivalent expected to be between 1,182 and 4,900 €/labour unit), the creation of 264 new jobs and the preservation of further 528 jobs. In terms of environmental impact, the expected impact is: a 4% change in the farmland birds biodiversity decline trend, an increase by 9,200 ha of forest areas under land management, a 2% increase in high nature value (HNV) areas (2,700 ha); improvement of water quality through effecting changes in the water gross nutrient balance (-1.9 N, -0.5 P); increase of land area employed in wind power generation by 598 km² (combating climate change); energy produced from biomass - 117.1 GWh/year; energy from renewable sources - 217.7 GWh/year and a total increase in renewable energy production of 28.79 Ktep.

Impact indicators have been updated in order to take into account the RDP changes, as a result of the CAP Health Check, the European Economic Recovery Package and Modulation of certain funds between Pillar 1 and 2 of the CAP and should reflect improving the environmental situation in rural areas. The new impact targets are therefore related to protecting biodiversity and increasing territorial coverage for rural broadband access. Detailed information on impact indicators for individual measures is provided in the RDP indicator tables.

² A full list of the RDP measures can be found in Annex I.

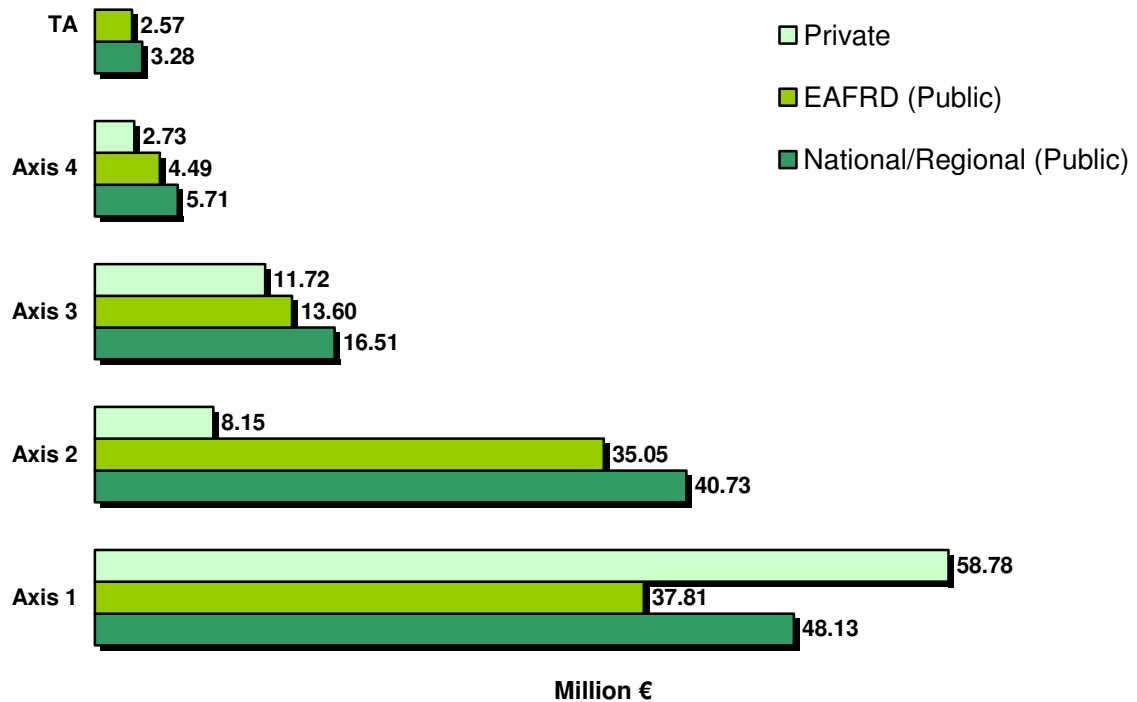
³ Please note that for measures 111, 112, 113, 125, 126 and 132 no private spending has been allocated.

⁴ For measures 211, 212 and 214 no private spending has been allocated.

⁵ For measures 321, 322 and 323 no private spending has been allocated.

⁶ For measures 421 and 431 no private spending has been allocated.

RDP budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding) of €289,247,882



The RDP budget allocations are broadly divided into four main areas of expenditure, known as axes (namely competitiveness, agri-environment, rural quality of life and local rural development actions). Approximately 50% of the overall RDP budget in Molise is allocated to axis 1 (€144.73 million); approximately 29% is allocated to axis 2 (€83.92 million), 14% to axis 3 (€41.82 million) and 5% to axis 4 (€12.93 million), with 2% available to fund technical assistance (€5.85 million).

Within axis 1, National/Regional public funding represents approximately 33% share of the axis funding; EAFRD 26%; and private funds 41%.

Within axis 2, National/Regional public funding represents approximately 48% share of the axis funding; EAFRD 42%; and private funds 10%.

Within axis 3, National/Regional public funding represents approximately 39% share of the axis funding; EAFRD 33% and private funds 28%.

Within axis 4, National/Regional public funding represents approximately 44% share of the axis funding; EAFRD 35%; and private funds 21%.

Within technical assistance, National/Regional public funding represents approximately 56% share of the technical assistance funding and EAFRD 44%.

As a consequence of the CAP Health Check and the European Economic Recovery Package, together with the programming of additional money from Modulation/CMO Wine, the Molise region has been assigned a total of €12,893,333 (including €7,736,000 EAFRD and further €5,157,333 regional/national public funds). Out of the additional EAFRD contribution, €6,238,000 are Health Check funds and the remaining €1,498,000 come from Modulation/CMO Wine. These funds both reinforce existing RDP actions (e.g. organic farming) and support new types of RDP operations (e.g. extensive forms of livestock management).

Axis Information²

Axis 1 objectives: Improving the competitiveness of the agricultural and forestry sector

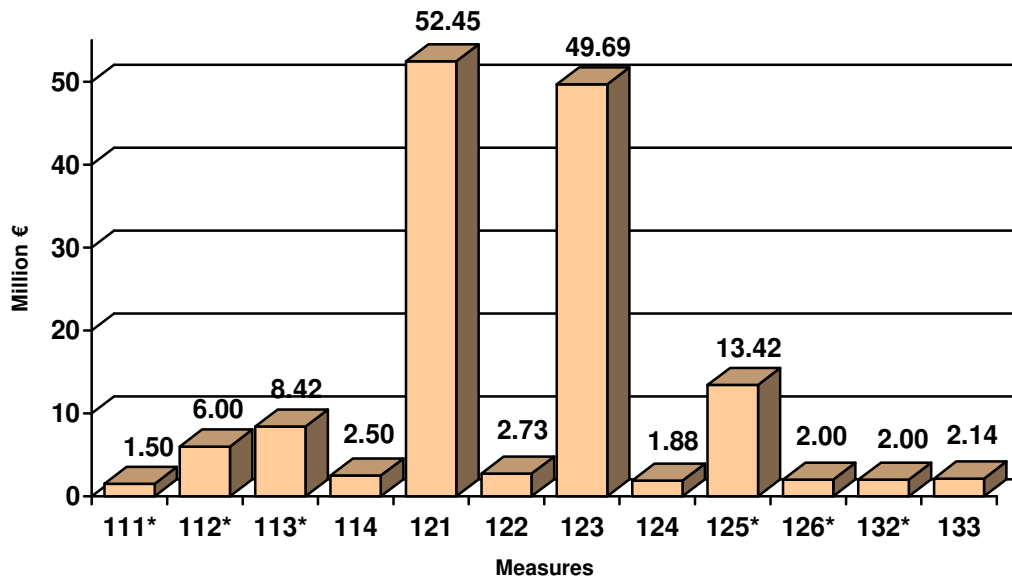
The table below provides an indication of the RDP's axis 1 priorities.

Strategic objectives	Specific objectives
Promote modernisation and innovation of businesses and integration of production chains	<ul style="list-style-type: none"> - Modernisation of businesses - Upgrading of silvo-forestry activities - Support to the participation in food quality schemes and information activities
Develop the quality of agricultural and forestry production	<ul style="list-style-type: none"> - Support biodiversity - Modernisation that favours the introduction of product and/or process and/or ICT innovation - Cooperation - Integrated utilisation
Improve physical and telecommunication infrastructures	<ul style="list-style-type: none"> - Management of water and forestry resources and other rural infrastructures
Encourage entrepreneurship of agricultural and forestry businesses and to enhance generational renewal	<ul style="list-style-type: none"> - Professional training and diffusion of skills - Enhance generational renewal - Business consultancy service

Result targets include the number of participants that successfully completed a training activity related to agriculture and/or forestry (510); increase in gross value added in supported holdings/enterprises by €7.22 million; number of holdings/enterprises introducing new products and/or new techniques (83); value of agricultural production under recognized quality label/standards (€21.3 million); and, number of farms entering the market, which is not quantified due to it being addressed by measures 141 and 142 that have not been activated by this RDP.

There were no specific target modifications in relation to axis 1 following the RDP update.

Axis 1 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €144,726,174³



Following the RDP latest update, the total budget amount for axis 1 is €144,726,174.

Axis 2 objectives: Improving the environment and the countryside

The table below provides an indication of the RDP's axis 2 priorities.

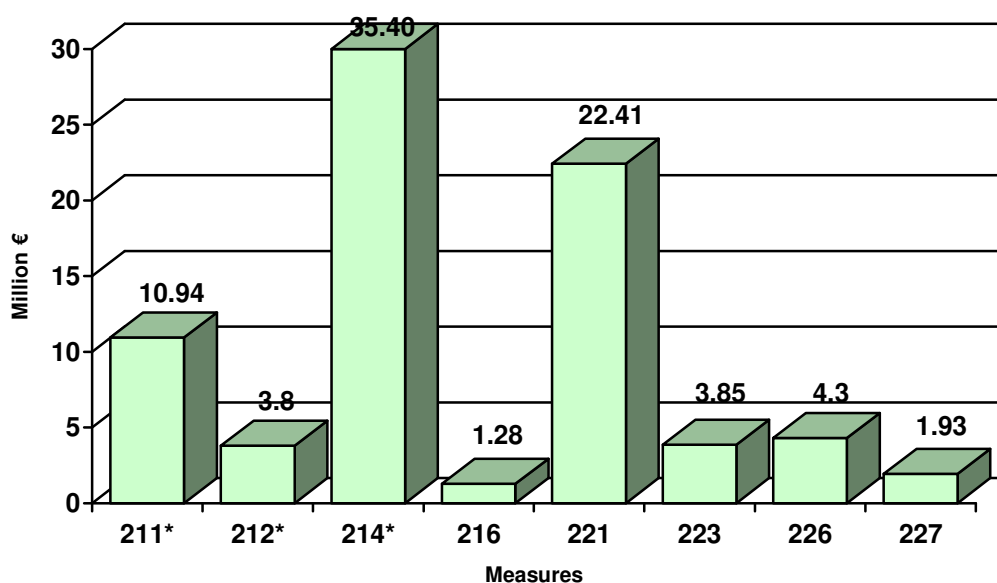
Strategic objectives	Specific objectives
Conservation of biodiversity and agricultural and forestry areas of high environmental value	<ul style="list-style-type: none"> - Adoption of organic farming techniques - First afforestation of agricultural and non-agricultural areas - Value Natura 2000 sites
Protection of water resources (in terms of quality and quantity)	<ul style="list-style-type: none"> - Support agronomic practices that conserve the quality of water and/or that are water saving
Reduction of greenhouse gas emissions	<ul style="list-style-type: none"> - Active forestry management - Support agronomic and livestock practices that limit the emission of greenhouse gases - Development of renewable energy and of primary materials for the production of bio-energy
Protection of the territory	<ul style="list-style-type: none"> - Protect the soil from erosion and hydrological disasters - Conservation and utilisation of habitat and the landscape and develop ecological corridors - Maintenance and increase of organic substances - Reconstruction of forestry potential and preventive interventions - Prevention of contamination of soil

Result targets include the conservation of areas under successful land management contributing to: biodiversity and high nature value farming/forestry by 29,433 ha; improving water quality by

24,999 ha; mitigating climate change (1,985 ha); improving soil quality by 18,332 ha; and, avoidance of marginalisation and land abandonment on 22,995 ha.

Specific modifications to result indicators (including halting further loss of biodiversity in the RDP region) have been made to account for the amendments to the RDP as a result of the Health Check, the European Economic Recovery Package and Modulation. For further information on specific result indicators, please refer to the result indicator table in the RDP.

Axis 2 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €83,923,473⁴



Following the CAP Health Check and the update of the RDP in Molise, the total budget allocation for axis 2 is €83,923,473, including an additional €7,859,751 (€5,167,000 EAFRD + €2,692,751 national/regional public).

For measure 214, output indicators linked to the Health Check/European Economic Recovery Package refer to further support to biodiversity by strengthening organic farming and introducing two new actions under this measure in relation to the conservation and recovery of traditional grazing practices and the conservation of endangered local species. Between 40 and 150 holdings will be supported.

Axis 3 objectives: Quality of life in rural areas and diversification of the rural economy

Axis 3 priorities:

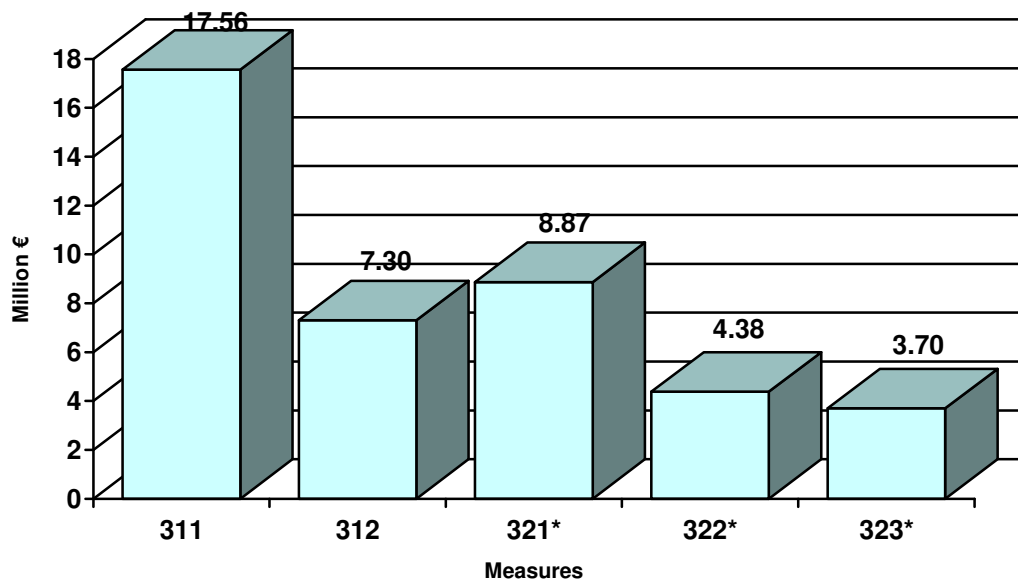
Strategic objectives	Specific objectives
Improve the attractiveness of rural areas for inhabitants and enterprises	- Upgrading of villages and the rural heritage - Improvement of the supply of services for the rural population
Maintain and create employment opportunities	- Diversification of rural income - Diversification of the rural economy by supporting the

and income in rural areas development of enterprises
- Development of enterprises in non-agricultural sectors

Result targets include an increase in non-agricultural gross value added in supported businesses by €8.65 million; number of jobs created – 121; the additional number of tourists has not been quantified due to it being addressed by measure 313 that has not been activated by this RDP; population in rural areas benefiting from improved services – 19,300; increase in internet penetration in rural areas by 29.4%. The amount of participants that successfully ended a training activity has not been quantified due to it being addressed by measures 331 and 341 that have not been activated by this RDP.

Specific modifications to result indicators have been made to take account of the amendments to the RDP as a result of the Health Check, the European Economic Recovery Package and modulation/CMO Wine. These indicators include the further development and the completion of territorial coverage of broadband infrastructure (approximately €1.1 million of additional EAFRD) in rural areas of Molise. For further information on specific result indicators please refer to the result indicator table in the RDP programme.

Axis 3 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €41,823,850⁵



Following the latest revision of the RDP the new total budget allocation for axis 3 is €41,823,849 including an additional €1,629,393 (€1,071,000 EAFRD + €558,393 national/regional public).

Output indicators linked to the Health Check/European Economic Recovery Package include for measure 321 the upgrading of existing broadband infrastructure and access to backhaul facilities and ground equipment.

Axis 4 objectives: Leader

To achieve the strategic and specific objectives, axis 3 in particular, but also axis 1 and axis 2 will be used. Local partnerships are encouraged to develop local strategies in order to meet local needs

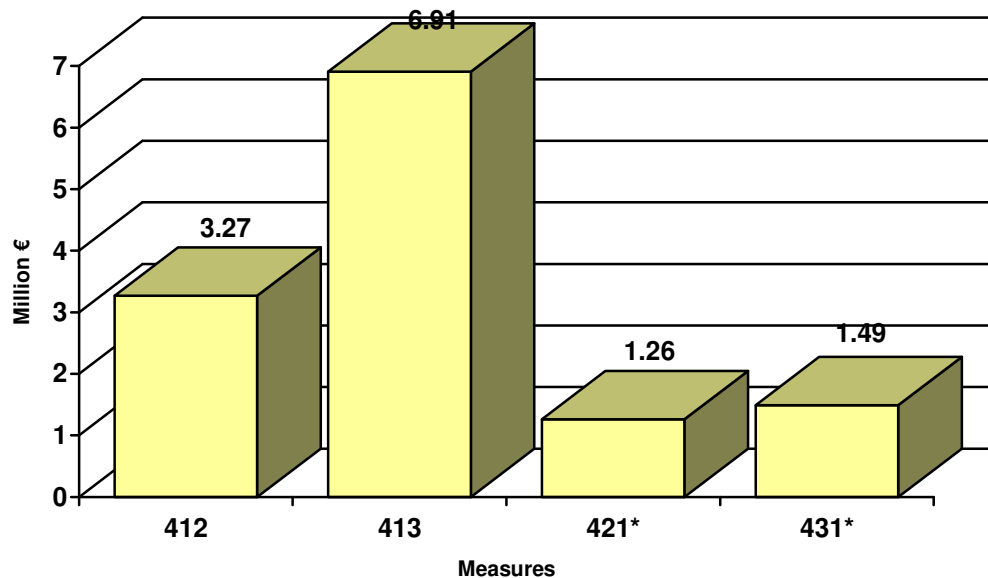
based on local resources. No result targets are mentioned in the RDP.

There were no specific target modifications in relation to axis 4 following the RDP update.

Strategic objectives	Specific objectives
Strengthen project design and project management competences of local governance	<ul style="list-style-type: none"> - Support to implement integrated strategies for sustainable development - Support to cooperation between rural territories - Support local partnerships
Utilisation of endogenous resources in rural areas	

Number of LAGs envisaged in the RDP areas as of March 2010 was 3.

Axis 4 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €12,925,065⁶



Following the RDP latest update, the total budget amount for axis 4 is €12,925,065.

Monitoring and evaluation strategy

The monitoring system is based on different phases and functions, such as the collection, elaboration and sorting out of data; financial, physical and procedural monitoring; acquisition, codification, validation and transfer of data; report production; accessing information; and, auto-evaluation. Furthermore, the MA (Managing Authority) and MC (Monitoring Committee) need to monitor the progress of the Programme, for this purpose, special indicators will be used. The MA also needs to put in place a computerised system that allows for the identification of all applications; the updating of individual interventions; quality assurance of the collected data; and, report production. In addition to CMEF indicators supplementary ones will be identified.

Communication and publicity

In communicating the RDP goals, the Molise Region aims at adopting a bottom-up approach creating a dialogue between the regional administration and the regional inhabitants, and hence introducing a decentralised communications service. In fact, the communications plan is based on the needs of the population. The strategic objectives of the communication plan are to contribute to achieving the overall objectives of the RDP; actively involve professional organisations, economic parties from both the private and public sectors, social groups and associations in the Programme; and, give a homogeneous image of the actions taken throughout the region. The target groups are potential beneficiaries, regional and local authorities, professional organisations, economic and social groups, NGOs, including organisations that promote environmental rights, and contractors and project promoters, together with the general public.

Annex I – Measures

Measures selected by the RDP Measures selected by the updated RDP

Axis 1 - Improving the competitiveness of the agricultural and forestry sector	<i>Promoting knowledge and improving human potential</i>	111	Vocational training and information actions
		112	Setting up of young farmers
		113	Early retirement
		114	Use of advisory services
		115	Setting up of management, relief and advisory services
	<i>Restructuring and developing physical potential and promoting innovation</i>	121	Modernisation of agricultural holdings
		122	Improvement of the economic value of forests
		123	Adding value to agricultural and forestry products
		124	Cooperation for development of new products, processes and technologies in the agriculture and food sector and in the forestry sector
		125	Infrastructure related to the development and adaptation of agriculture and forestry
	<i>Quality of agricultural production and products</i>	126	Restoring agricultural production potential
		131	Meeting standards based on Community legislation
		132	Participation of farmers in food quality schemes
	<i>Transitional measures</i>	133	Information and promotion activities
141		Semi-subsistence farming	
142		Producer groups	
Axis 2 - Improving the environment and the countryside	<i>Sustainable use of agricultural land</i>	143	Providing farm advisory and extension services
		211	Natural handicap payments to farmers in mountain areas
		212	Payments to farmers in areas with handicaps, other than mountain areas
		213	Natura 2000 payments and payments linked to Directive 2000/60/EC
		214	Agri-environment payments
		215	Animal welfare payments
	<i>Sustainable use of forestry land</i>	216	Non-productive investments
		221	First afforestation of agricultural land
		222	First establishment of agroforestry systems on agricultural land
		223	First afforestation of non-agricultural land
		224	Natura 2000 payments
		225	Forest-environment payments
		226	Restoring forestry potential and introducing prevention actions
		227	Non-productive investments
Axis 3 - Quality of life in rural areas and diversification of the rural economy	<i>Diversify the rural economy</i>	311	Diversification into non-agricultural activities
		312	Support for business creation and development
		313	Encouragement of tourism activities
	<i>Improve the quality of life in rural areas</i>	321	Basic services for the economy and rural population
		322	Village renewal and development
		323	Conservation and upgrading of the rural heritage
		331	Training and information
Axis 4 - Leader	<i>Implementing local development strategies</i>	341	Skills-acquisition and animation measure with a view to preparing and implementing a local development strategy
		411	Competitiveness
		412	Environment/land management
		413	Quality of life/diversification
		421	Implementing cooperation projects
431	Running the local action group, skills acquisition, animation		