

## Rural Development Programme (RDP) of Basilicata, Italy

**Programma di sviluppo rurale della regione Basilicata per il periodo 2007-2013 – To be inserted<sup>1</sup>**  
(Rural Development Programme for Basilicata 2007-2013)

### Relevant Contact Details

**Address:** V. Verrastro, 10 - 85100 Potenza, Italy

**Telephone number:** + 39 0971 668660

**Managing Authority Website:**

<http://www.basilicatapsr.it/>

**Other useful links:**

Rural Development Programme (RDP):

[http://enrd.ec.europa.eu/rural-development-policy/country-](http://enrd.ec.europa.eu/rural-development-policy/country-information/italy/en/italy_home_en.cfm)

[information/italy/en/italy\\_home\\_en.cfm](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 Basilicata**  
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## General socio-economic situation in rural areas in the Basilicata region

Basilicata, located in Southern Italy, has a density of only 59 inhabitants/km<sup>2</sup> and all the territory is classified as rural. According to the RDP of February 2009, rural areas D (Rural Areas with Complex Problems of Development), dominate with 92.4% of the surface and 88.1% of the population and are divided into D1 (advanced agricultural systems) and D2 (Internal hilly and mountain areas). Agriculture (81,922 holdings) is the main land use (55%) and a relatively important component of the economy (6.2% in 2004).

The RDP further highlights that the primary sector has many strengths, such as a high presence of quality productions (especially organic farming, covering 12% of Utilised Agricultural Area (UAA)) and a good environmental situation (low level of pollution of air, soil and water, large forestry areas), but also some weaknesses, such as fragmentation and reduced financial capacity of the farms, poor forestry exploitation, inadequate infrastructure and low integration of supply chains. Most of the region is classified as Less Favoured Areas (LFAs): 44% LFAs in mountains, 43% intermediate and 6.4% with specific handicaps. Mountain areas suffer from lack of infrastructure and services, which creates marginalization and abandon of agricultural land (-19% of UAA in 1990-2000) raising risks of soil erosion and hydrogeological problems.

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

## RDP strategic objectives

The objectives of the RDP coincide with those of the NSP. The interventions target the sectoral or territorial needs in relation to weaknesses identified in the context analysis:

- competitiveness of agriculture and forestry is pursued through consolidation of the agro-forestry and agro-food local systems, support of innovation, consolidation/implementation of farm support services, improvement of managerial skills and generational change, consolidation of the quality of agricultural and food production;
- environment preservation, through improvement of landscape management, improvement of agricultural, forestry and farming practices aimed at reducing the environmental impact and greenhouse effect, protection of biodiversity and of agro-forestry high quality systems and water resources;
- diversification of agricultural activities and improvement of the quality of life in rural areas, through promotion of multi-functionality in farms, and diversification of economic activities and local services;
- improvement of skills and knowledge at local level and development of social inclusion projects, and involvement of public/private companies to create and manage services for rural populations.

Following the CAP Health Check, in recognition of the greater emphasis now being given to the "new challenges" facing agriculture and rural areas, the RDP was revised in 2009 to place further importance on climate change adaptation and mitigation, renewable energy, water management, restructuring of the dairy sector, biodiversity and the availability of broadband services in rural areas. The modifications do not imply the introduction of new measures but the reinforcement and/or the alteration of existing ones as well as the introduction of new actions.

Taking into account the additional financing provided by the CAP Health Check, the European Economic Recovery Package and Modulation/CMO Wine, strategic priority is given to initiatives that address climate change (which received 14.7% of the additional funds), water management (11.8), biodiversity (16.4%), renewable energies (19.4%), restructuring of the dairy sector (5.4%) and broadband infrastructure in rural areas (32.3%).

## Expected impact / outcomes of the policies

Expected results and impacts of the Basilicata RDP include an increase in regional economic growth: Net added value + 1,020,000 (Agri-food and forestry sectors + 336,000); employment creation: +19,500 net jobs created (Agriculture and forestry + 4,700, Agri-food sector + 530); labour productivity: change in gross value added per labour unit in full time equivalent + 30% in agriculture and + 70% in the agro-food chain; reversing biodiversity decline: change of biodiversity trend (2000 = 100, 2005=81.1) 82; preserving agricultural and forestry land with high natural value: change in area of high natural value (% of the total surface, 2004=12.1%) 14.3%; improvement of water quality: change in nutrient balance: Nitrogen (N) -77%; Pesticides use -18%; mitigating climate change: increase in energy production from renewable energies +4 GWH.

Specific modifications to impact indicators have been made to take account of the RDP's 2009 update. These include new targets for actions such as increased economic growth in terms of net additional added value for Basilicata (€266.55 million), the creation of additional 4,757 full-time

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<sup>2</sup> A full list of the RDP measures can be found in Annex I.

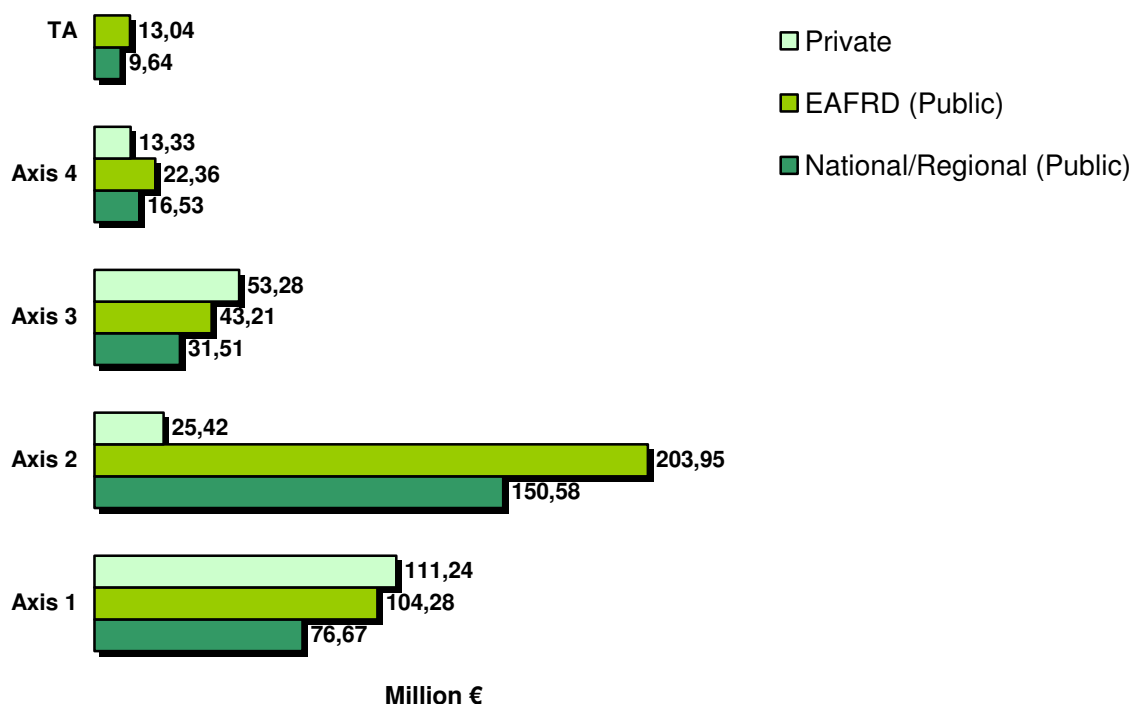
<sup>3</sup> Please note that for measures 112 and 113 no private spending has been allocated.

<sup>4</sup> For measures 211, 212 and 226 no private spending has been allocated.

<sup>5</sup> For measure 431 no private spending has been allocated.

equivalent jobs, an increase in gross value added per full-time job (€286.9), reversing biodiversity decline by an additional 1.1%, increasing high nature value areas by an additional 2,254 ha, changing the gross nutrient balance in waters by 23.5%, increasing the production of renewable energy by 54.5 KTOE and reducing annual green house gas emissions of the agricultural sector by 107.367 mg of CO<sup>2</sup>. Detailed information on impact indicators for individual measures is provided in the RDP indicator tables.

### **RDP budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding) of €875,037,581**



The RDP budget allocations are broadly divided into four main areas of expenditure, known as axes (namely: Improving the competitiveness of the agricultural and forestry sector; Improving the environment and the countryside; Quality of life in rural areas and diversification of the rural economy; and Leader). Approximately 33% of the updated RDP budget in Basilicata is allocated to axis 1 (€292.18 million); approximately 43% is allocated to axis 2 (€379.95 million), 15% to axis 3 (€128.00 million) and 6% to axis 4 (€52.22 million), with almost 3% available to fund Technical Assistance (€22.68 million).

Within axis 1, National/Regional public funding represents approximately 26% share of the axis funding; EAFRD 36%; and private funds 38%.

Within axis 2, National/Regional public funding represents approximately 40% share of the axis funding; EAFRD 54%; and private funds 6%.

Within axis 3, National/Regional public funding represents approximately 25% share of the axis

funding; EAFRD 34% and private funds 41%.

Within axis 4, National/Regional public funding represents approximately 32% share of the axis funding; EAFRD 43%; and private funds 25%.

Within technical assistance, National/Regional public funding represents approximately 43% share of the technical assistance funding and EAFRD 57%.

As a consequence of the CAP Health Check and the European Recovery Package, together with the programming of additional funding from Modulation/CMO Wine, the Basilicata region was allocated new RDP funds in 2009 totalling €23,776,000 (including €14,190,000 of EAFRD and €9,460,000 of regional/national public funds). Out of the additional EAFRD contribution, €12,194,000 is aimed at addressing new challenges in rural areas and improved broadband infrastructure. Furthermore, €1,996,000 stems from Modulation/CMO Wine.

## **Axis Information<sup>2</sup>**

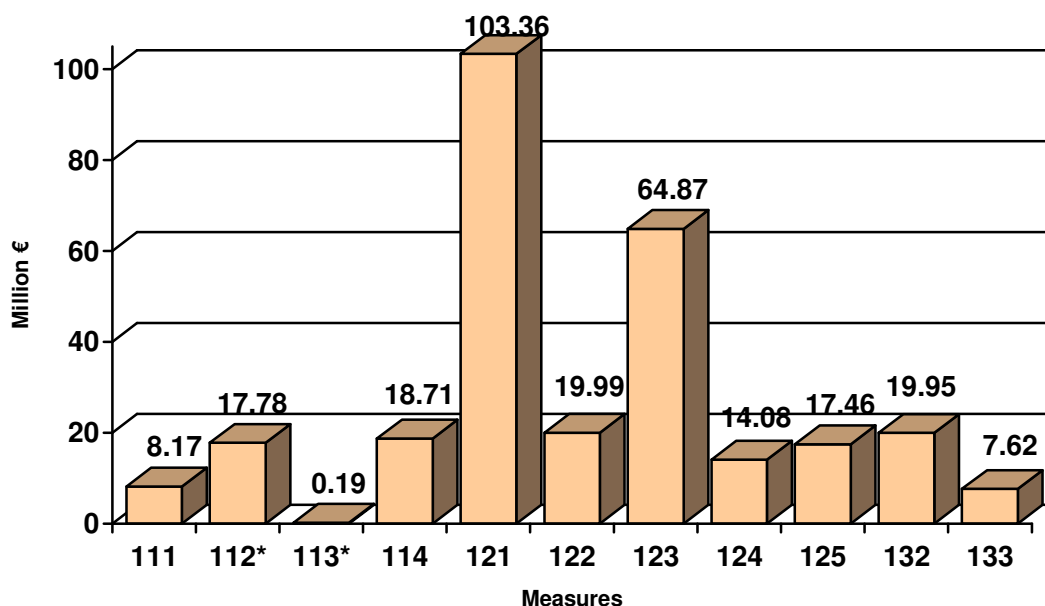
### ***Axis 1 objectives: Improving the competitiveness of the agricultural and forestry sector***

The main objectives of axis 1 are: 1) To promote modernization and innovation in agricultural holdings and integration in the food chain sector; 2) To enhance the entrepreneurial skills of the agricultural and forestry workers and to enhance generational change; 3) To consolidate and enhance quality in agriculture, agri-food industry and forestry; 4) To improve physical and information technology infrastructures.

Result targets include the number of participants who successfully ended training activities related to agriculture and/or forestry (700); increase in gross value added in supported holdings/enterprises by €16.2 million (+2.3%); number of holdings/enterprises introducing new products and/or new techniques (156).

Specific modifications to result-indicator targets have been made to take account of the amendments to the RDP. This includes new measure level targets such as: 185 holdings/enterprises introducing new products and/or new techniques and increase the value of agricultural production under recognised quality labels/standards (€450 million). In addressing climate change a further reduction of methane and nitrous oxide emissions is targeted by supporting 18 farm holdings (measure 121). Actions to promote renewable energies production are supported by 18 additional farm holdings (measure 121) to substitute fossil fuels, and up to 18 farm holdings are supported to improve water management and water quality by introducing water saving technologies and innovative operations (measures 121 and 124). Finally, innovative operations are supported to improve the competitiveness in the dairy sector and halter biodiversity loss (measure 124). For further information on specific indicators please refer to the indicator tables in the RDP.

**Axis 1 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €292,181,104<sup>3</sup>**



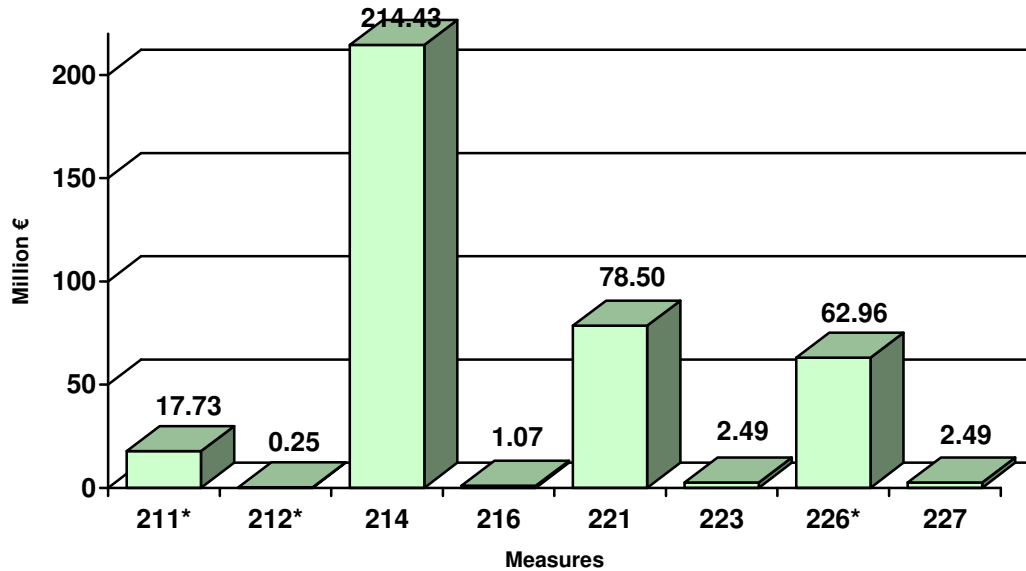
Following the 2009 RDP update, the total axis 1 budget is €292,181,104. This includes an additional €7,978,780 (€4,787,268 EAFRD plus €3,191,512 national/regional public) from the 2009 changes. Of this, measure 121 received €3.61 million of additional EAFRD and the budget for measure 124 increased by €1.18 million. The additional EAFRD contribution will be spent on climate change adaptation and mitigation actions (measure 121), developing the production of renewable energies (measure 121) and improving water management (measures 121 and 124).

**Axis 2 objectives: Improving the environment and the countryside**

The main objectives of axis 2 are: 1) Reduction of greenhouse gases; 2) Conservation, protection and safeguard of the rural territory; 3) Conservation of the biodiversity and the protection of agricultural/forestry areas with high environmental value; 4) Protection of water resources (quality and quantity). Axis 2 targets specific areas (Special Areas of Conservation, Special Protection Areas, Nitrate Vulnerable Zones) and other areas where environmental needs have been identified (i.e. erosion).

A number of key axis 2 targets were amended in 2009 to reflect the new funds and this led to an increase in anticipated outputs for areas under successful land management contributing to e.g. avoidance of marginalisation and land abandonment (to 168,652 ha). Unchanged axis 2 targets include: areas contributing to biodiversity and high nature value farming/forestry (291,000 ha); improving water quality (243,350 ha); mitigating climate change (150,750 ha); and, improving soil quality (155,750 ha). Modifications to output targets include the support of 45 farm holdings to improve soil management and adapt to climate changes (1,900 ha) and protect birds and other wildlife by supporting 130 farm holdings on 5,700 ha (measure 214). For further information on specific indicators please refer to the indicator tables in the RDP.

**Axis 2 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €379,952,148<sup>4</sup>**



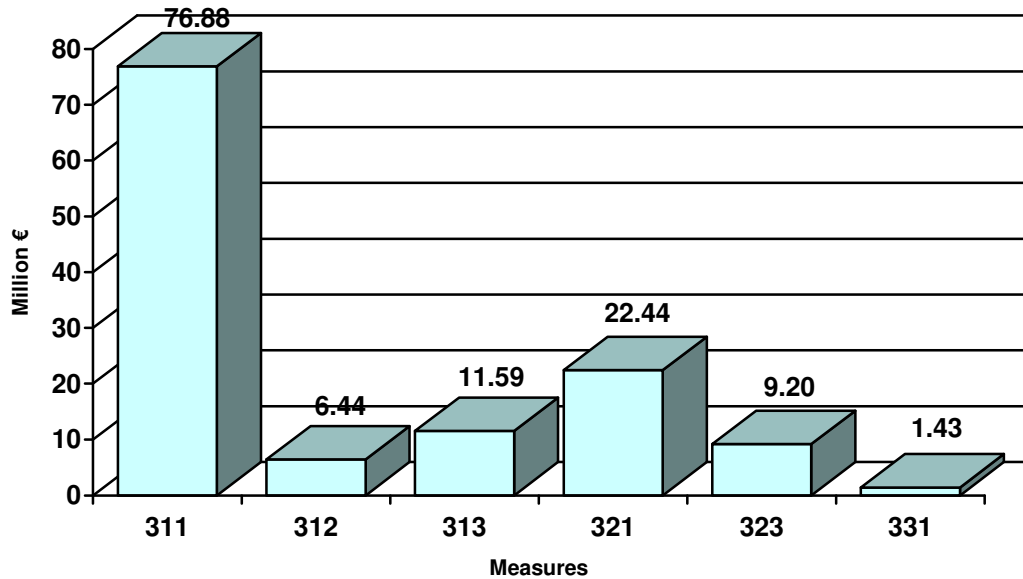
Following the 2009 RDP update, the total axis 2 budget is €379,952,148, including an additional €3,881,017 (€2,328,610 EAFRD + €1,552,407 national/regional public). Alterations to funding under the axis include €2.3 million of further EAFRD support for agri-environmental payments, under measure 214.

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

The objectives of axis 3 are: 1) To maintain and create employment/income in rural areas. 2) To enhance attractiveness of rural areas for population and enterprises. The strategy is: 1) To support the diversification into non agricultural activities. Axis 3 interventions are prioritized in rural areas D.

Several axis 3 targets were amended in 2009 to reflect the new overall RDP priorities and this led to an increase in non-agricultural gross value added in supported business (to €12.7 million); gross number of jobs created (from 121 to 723); and, increase in internet penetration in rural areas (to 33,302). Unchanged axis 3 targets include: additional number of tourists (15,000); population in rural areas with improved services (30,000); and, number of participants that successfully ended a training activity (120). As Basilicata lags behind in the renewable energies sector, the regional has addressed this issue through developing the production of renewable energy from agricultural and forestry biomass (measure 311, action C). More specifically, 8 beneficiaries are supported to substitute fossil fuels. Furthermore, in order to reduce the digital divide up to 35 actions are supported to create, upgrade and lay down (passive) broadband infrastructure (measure 321, new action D). For further information on specific indicators please refer to the indicator tables in the RDP.

**Axis 3 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €128,003,990**



Following the 2009 RDP update, the total axis 3 budget is €128,003,990, including an additional €8,463,537 (€5,078,122 EAFRD + €3,385,415 national/regional public). Modifications to funding under this axis include further support for measure 311 (diversification into non-agricultural activities), which received €0.49 million of new EAFRD contributions to further develop the production of renewable energies. Measure 321 (basic services for the rural population) was allocated an additional €4.58 million of EAFRD (from the European Economic Recovery Package) for new broadband infrastructure in specific rural communes.

**Axis 4 objectives: Leader**

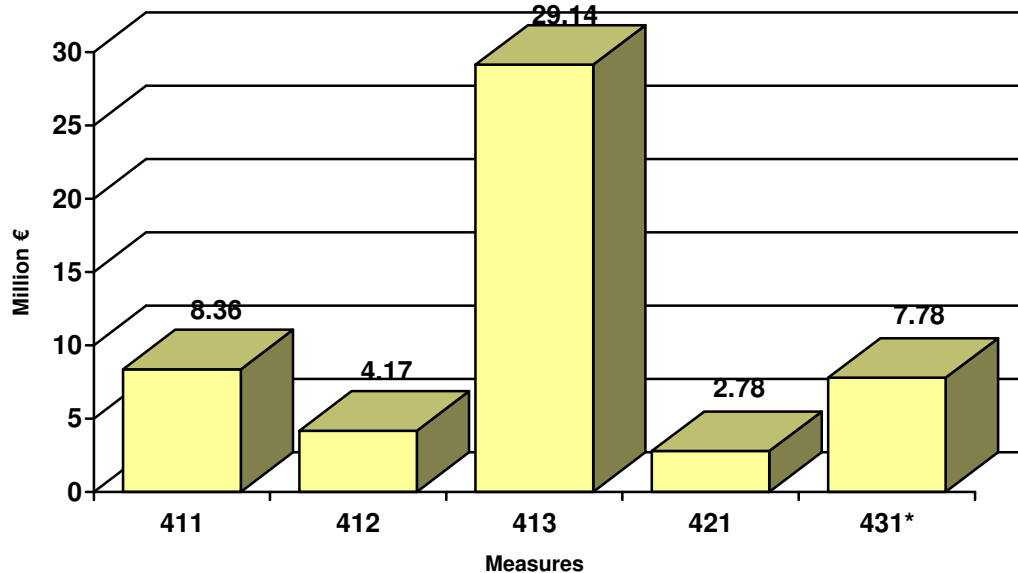
The objectives of axis 4 are to strengthen the capacity planning and local management and to improve local territorial resources, in order to bridge the gap between stronger and weaker economies in the same area. Taking into account the lessons learnt from the past programming period, the administrative structure of the Mountain Communities and the integration among the bodies which fall under such areas represent the main references.

No specific result targets are provided, which means that values are included in the targets for the first three axis of the RDP.

There were no specific target modifications in relation to axis 4 following the 2009 RDP update.

The number of LAGs envisaged in the RDP areas as of March 2010 was 8.

**Axis 4 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €52,217,294<sup>5</sup>**



Following the 2009 revision of the RDP the new total budget allocation for axis 4 is €52,217,294.

### Monitoring and evaluation strategy

The monitoring and evaluation system has been established according to the provisions of EU regulation and taking into account the National Monitoring and Evaluation System. All the CMEF indicators are used. During the implementation phase, the result and output indicators are verified on the basis of age, professional status, dimension of the holding, activity, and location in LFA, location in Natura 2000 or 2000/60/EC and in nitrate vulnerable zones, according to the features of the measure analyzed. In some cases additional specific indicators have been included. In Measure 121: number of companies introducing new techniques or products (90), number of holdings and % of investment for energy savings (20, 20%), introducing voluntary quality certification (20, 5%), water saving (50, 20%). In Measure 122: Ha of forest covered by management plans (40,000 Ha), number of companies introducing new techniques or products (25) number and % of the investments targeting forestry improvement (50, 50%) and quality (50, 20%).

### Communication and publicity

The communication plan includes the following items: situation analysis, target, objectives, strategic planning (content and strategy of communication and information and the measures to be adopted), budget, bodies responsible for implementation, assessment, timetable chart. Three target groups have been identified: "external" public (potential and effective beneficiaries, citizens, other partners and stakeholders), "internal" (members of the regional administration) and media. The objectives of the communication plan are: to inform on the opportunities offered by the RDP; to promote its objectives and interventions and relevant benefits for the regional community, to highlight the role of the EU and of Italy; to ensure transparency in the use of public resources. For each objective, several actions have been identified and planned in detail. The Communication plan absorbs 5% of the financial allocation for Technical assistance.



## Annex I – Measures

Measures selected by the RDP   Measures selected by the updated RDP  

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