

Rural Development Programme (RDP) of Bolzano, Italy

Programma di Sviluppo Rurale 2007-2013 – Provincia Autonoma di Bolzano – *To be inserted*¹ –
(Rural Development Programme for Bolzano 2007-2013)

Relevant Contact Details

Address: Dipartimento Agricoltura - Via Brennero, 6 - 39100 Bolzano, Italy

Telephone number: + 39 0471 415010

Managing Authority Website:

<http://www.provincia.bz.it/agricoltura/>

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 Bolzano

(© European Commission)

General socio-economic situation in rural areas in the Bolzano province

The Province of Bolzano, located in Northern Italy as part of the Trentino-Alto Adige/Südtirol Region, has 477,067 inhabitants and a surface of 7,400.43 km². 93.3% at more than 700 meters above sea level, but most people live in remaining 6.7%. According to the RDP of June 2009, GDP/capita is above EU average (€27,300). Agriculture and forestry contribution is €0.55 billion (5% of regional Value Added) and 11% of employed. The agricultural holdings are 25,559 with an average Utilised Agricultural Area (UAA) of 10.1 Ha and an economic size of 16.1 European Size Units. They manage about 6,099.94 km² of Total Agricultural Area (TAA), mainly meadows and pastures (39.4%); forestry (47.9%); vineyard and fruits (3.8%).

The RDP indicates that Less Favourite Areas represent 92.6% of the territory and in many cases agricultural and forestry activities may experience difficulties, but there are many strengths (family managed farms with long tradition; very good climatic and environmental conditions for high quality production of apples, white wines, milk and cheese; consumer recognition, well established farmer cooperatives) and few weaknesses (low sized animal farms, inadequate valorisation of milk products). In the environmental field, an important strength is the synergy between agricultural-forest system and landscape-environment with high landscape value of agricultural lands, high forest biodiversity; low water pollution by nitrate, high number of active alpine farms that ensure a good environment and land protection from soil erosion. Rural areas benefit for a widespread tourism development with leisure activities and presence of tourists in every season, but people tend to leave remote mountain and to move to the main urban centres, where basic services are concentrated.

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

RDP strategic objectives

The RDP strategy is focussed on objectives closely connected to the National Strategic Plan objectives:

- to increase competitiveness of agricultural and forestry system enhancing quality of local productions;
- to develop infrastructure networks for agriculture and forestry;
- to increase professional skills;
- to preserve environment, biodiversity, landscape of mountain areas and water quality, promoting the voluntary multiannual commitments to adopting sustainable agricultural practices;
- to ensure the protective function of mountain forests as an important factor for the hydro geological equilibrium and the safety of urban areas and infrastructure
- to encourage the use of sustainable and renewable energy sources that are very abundant in the provincial territory with the purpose of cutting greenhouse gases;
- to maintain people living in countryside, especially in more depopulated areas;
- to involve local public administrations and social and economic organizations to improve management expertise and local decision-making capacity in setting out a coherent strategy with the real problems of local territories.

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 activities related to the dairy sector, water management, climate change and biodiversity. The modifications do not concern the introduction of new priorities but the reinforcement and/or the alteration of existing as well as the introduction of new operations to meet any such issues.

Taking into account the additional financing provided by the CAP Health Check, the European Economic Recovery Package and Modulation/CMO Wine, greater strategic priority is given to initiatives that contribute to fighting climate change (which received 77% of the additional funds), water management (6%) and the restructuring of the dairy sector (17%).

Expected impact / outcomes of the policies

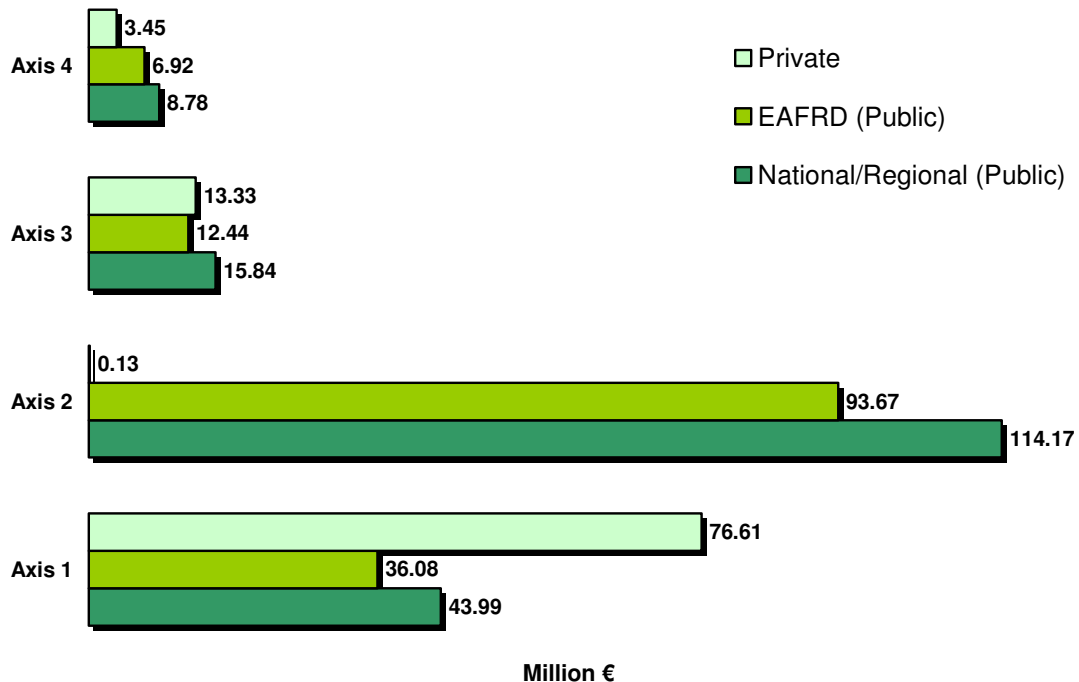
Expected results and impacts of the Bolzano RDP include:

- Economic growth: +4.5% at current prices; estimated growth of million of Euros MEUR 1.2 at constant prices;
- Employment creation: New jobs zero; jobs maintained: 50;
- Labour productivity: +4%, at constant prices;
- Reversing biodiversity decline: decreasing the endangered species from 41% to 38% (biodiversity recovery of 3% in population of farmland birds);
- Preservation of agricultural and forestry habitats of high natural value: +7% of agricultural surface with high biodiversity and landscape high value;
- Improvement of water quality: maintenance of an average content of nitrates lower than 8 mg/l;
- Contribution to mitigate climate change: increase of 10% of renewable energy production; +4% of CO₂ fixed by forestry ecosystems.

Specific modifications to impact indicators have been made to take account of the RDP's 2009 alterations. These include new targets for actions such as those: targeting the dairy sector to increase the quality of the entire supply chain by improving the breeding system and production methods; modernising the irrigation system; increasing the fodder crop cultivation to guarantee

carbon sequestration by permanent grasslands; and, increasing biodiversity by safeguarding biological diversity in the Alpine territories. 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 €425,421,814



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 37% of the updated RDP budget in Bolzano is allocated to axis 1 (€156.69 million); approximately 49% is allocated to axis 2 (€207.97 million), 10% to axis 3 (€41.61 million) and 4% to axis 4 (€19.15 million), and with 0% available to fund technical assistance (€0).

Within axis 1, National/Regional public funding represents approximately 28% share of the axis funding; EAFRD 23%; and private funds 49%.

Within axis 2, National/Regional public funding represents approximately 54.9% share of the axis funding; EAFRD 45%; and private funds 0.1%.

Within axis 3, National/Regional public funding represents approximately 38% share of the axis funding; EAFRD 30% and private funds 32%.

Within axis 4, National/Regional public funding represents approximately 46% share of the axis funding; EAFRD 36%; and private funds 18%.

As a consequence of the 2009 RDP amendments, the Bolzano province has been assigned a total of €19,226,667 (including €11,536,000 EAFRD and €7,690,667 of regional/national public funds). Out of the additional EAFRD contribution, €10,814,000 is aimed at addressing new challenges in rural areas. Furthermore, €722,000 stems from Modulation/CMO Wine.

Axis Information²

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

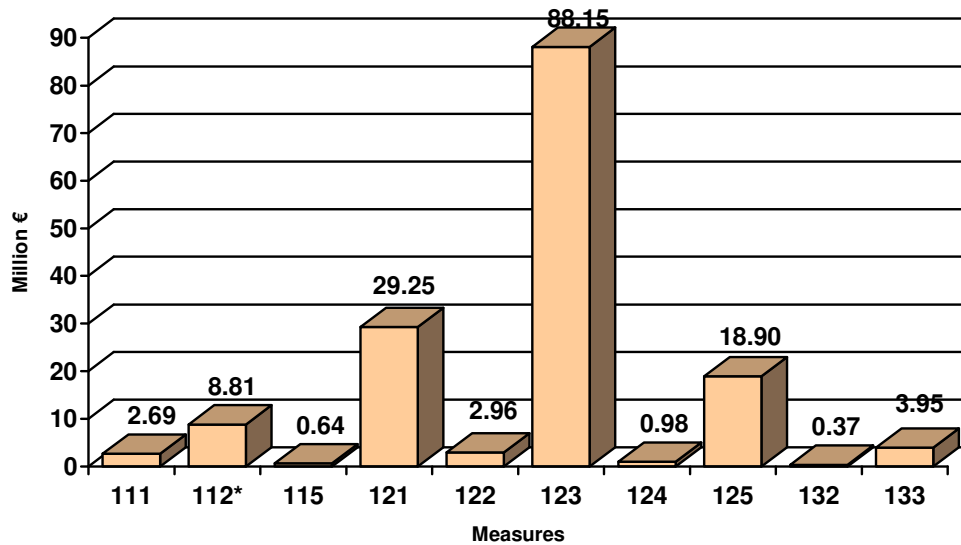
Axis 1 aims to foster the generation turnover in agriculture, encourage the emergence and consolidation of replacement services for farmers, increase the dissemination of information on agricultural policies, improve professional skills in agriculture and forestry, promote the modernization of farms, increase economic value of forests and the value added of agricultural production and forestry, strengthen infrastructural and tele-networks, encourage participation in quality systems and support producer groups for food quality promotion and information systems.

Outputs expected are: 4,650 participants that successfully ended training activities related to agriculture and/or forestry; 4.5%, equivalent to MEUR 12 of increase in gross value added of beneficiaries, new products or techniques in 20-32 farms, value of agricultural products under quality schemes equivalent to MEUR 70.

Specific modifications to results indicators have been made to take account of the amendments to the RDP including the modernisation of irrigation systems by introducing water saving technologies and water reserves (measure 125). More specifically 2 additional operations are supported. Furthermore, improvement of the competitiveness of the dairy sector will be reinforced by constructing and renewing free stall barns in order to increase the quality of animal breeding systems and production methods (measure 121). Overall, 30 farm holdings are supported. For further information on specific results indicators please refer to the result indicators table in the RDP.

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

Axis 1 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €156,694,589³



Following the 2009 RDP update, the total budget allocation under axis 1 is €156,694,589, including an additional €4,166,667 (€2,500,000 EAFRD plus €1,666,667 of national/regional public funds). The additional EAFRD contribution supports the dairy sector under measure 121 (€1,800,000) and water management under measure 125 (€700,000).

Axis 2 objectives: Improving the environment and the countryside

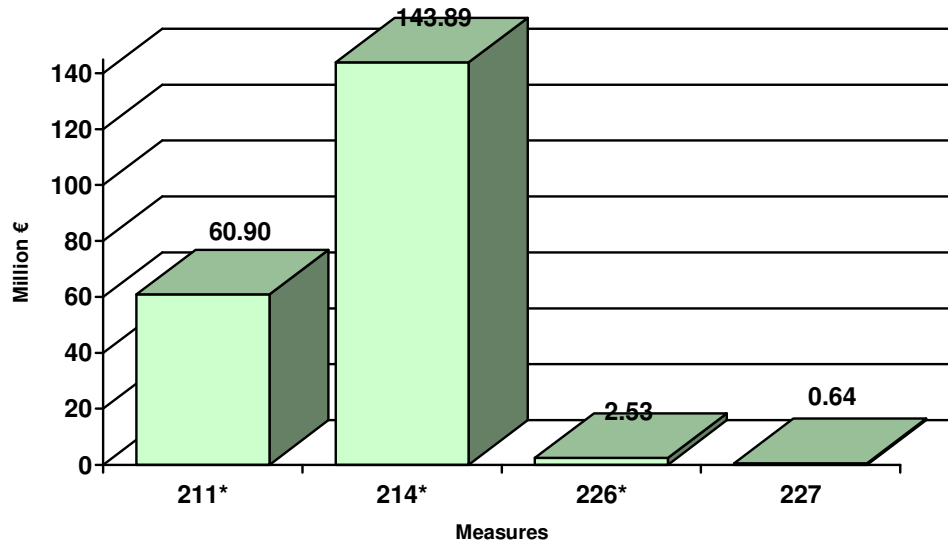
Main objectives of axis 2 are: to maintain farmers in difficult areas with allowances for natural handicaps, to adopt sustainable agricultural practices through voluntary multiannual commitments, ensure the protective function of mountain forests, support non-productive investments in order to stabilize forest ecosystems with high conservation value and a protecting function of the hydrological system.

Expected outputs are: 6,543 hectares on average every year with commitments to biodiversity and high natural value agro-forestry environment safeguard, 55,000 hectares on average every year with commitments to water quality preservation, 7,000 hectares in 7 years with commitments to climate change mitigation, 130,000 hectares on average every year with commitments to soil quality improvement, 60,000 hectares on average every year with commitments to avoid marginalization or abandonment.

Specific modifications to result and output indicators have been made to take account of the amendments to the RDP. In addressing the climate change and biodiversity priorities, these include under measure 214: 500 farm holdings per year receiving support to cultivate fodder crops (5,000 ha/year) in order to reduce carbon dioxide, methane and nitrous oxide. For further information on specific indicators please refer to the indicator tables in the RDP.

³ Please note that for measure 112 no private spending has been allocated.

Axis 2 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €207,969,201⁴



Following the 2009 RDP update, the total budget allocation under axis 2 is €207,969,201, including an additional €13,856,667 (€8,314,000 EAFRD plus €5,542,667 of national/regional public funds). The additional EAFRD contribution supports climate change adaptation and mitigation activities and biodiversity under measure 214 (€8,314,000).

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

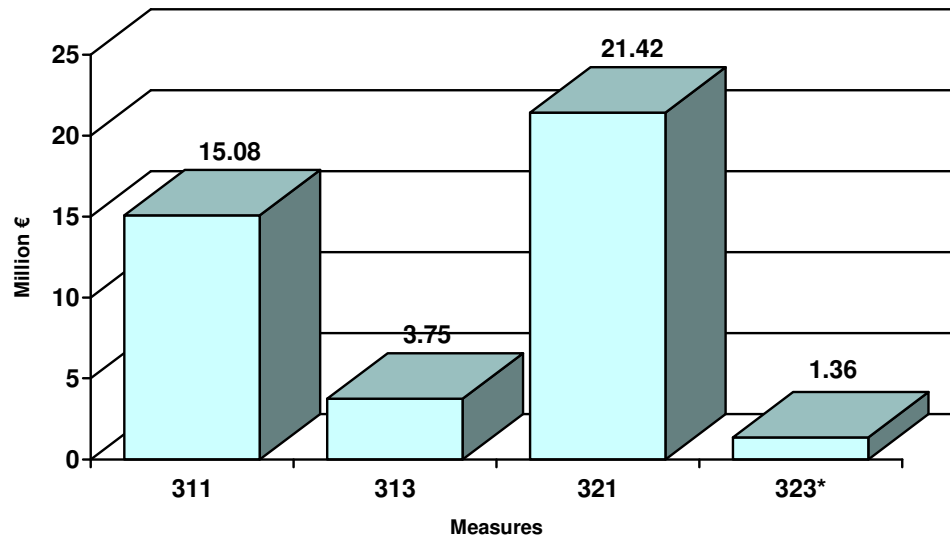
Axis 3 main objective is to prevent abandonment and depopulation in mountain areas with specific interventions finalized to preserve adequate cultural, social and economic viability in rural areas. Operational objectives to improve infrastructures and basic services for people, to promote retraining actions for villages, are: to diversify the farm activities with the introduction of alternative employment opportunities and enhancing the role of women in rural areas and to promote tourist activities.

Expected outputs are: +5% (+ €3.5 million) increase of value added from no-agricultural activities; 20 new jobs created; 500 additional number of tourists 500; rural people that use improved basic services 800; increasing availability of internet access in rural areas (unquantifiable); 8-10 participants at upgrading professional cycles.

No modifications were made to axis 3 during the 2009 RDP update.

⁴ For measures 211, 214 and 226 no private spending has been allocated.

Axis 3 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €41,609,747⁵



Following the 2009 RDP update, the new total budget allocation for axis 3 is €41,609,747.

Axis 4 objectives: Leader

The main objectives pursued are: strengthening planning and management abilities of rural territories and valorisation of local resources, aimed at the implementation of integrated local development strategies in selected areas covering the 41% of the provincial surface and including 14% of the population.

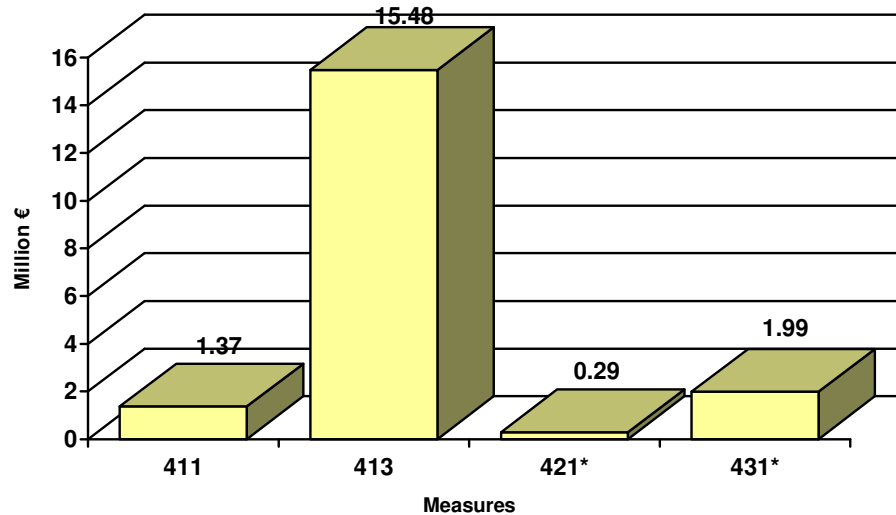
Results expected are already accounted in those of axis 1 and axis 3; Output Indicators are number of Local Action Groups LAGs (4) surface and population of Leader areas (3,000 km²; 35,000 people) and number of projects (400).

The number of LAGs operational in the RDP area as of March 2010 was four.

No modifications were made to axis 4 during the 2009 RDP update.

⁵ For measure 323 no private spending has been allocated.

Axis 4 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €19,148,276⁶



Following the 2009 RDP update, the total budget amount for axis 4 is €19,148,276.

Monitoring and evaluation strategy

The main indicators that measure the achievement of the objectives are those of the Common Monitoring and Evaluation Framework (CMEF). The analysis is very detailed: outcomes and impacts are calculated for every involved measure and summarized at axis and programme level. The expected values have been validated by an independent expert (Institute of Economic Theory - Innsbruck University) during ex-ante evaluation. The RDP describes Managing Authority (MA) and Monitoring Committee (MC) responsibilities in monitoring and evaluation and a timesheet for every task, but does not add any specific information.

Communication and publicity

Information on the Bolzano RDP is available at the official website of the Province: <http://www.provincia.bz.it/agricoltura>. A brief report, summarizing the plan and the procedures adopted, has been sent to all potential beneficiaries. Moreover the same information has been published in the provincial monthly magazine sent to the local population. The Managing Authority organized a press conference to present the RDP at the time of approval. Every year meetings are held, in association with farmers' organizations, to explain the RDP procedures and news are reported on newspapers in Italian and German language and broadcast via radio. Other information is available at the office dedicated to European Institutions, URL: <http://www.provincia.bz.it/europa/EuropeDirect>. Projects financed with more than MEUR 0.5 EAFRD contribution should mention, EU support by displaying a plaque. The communication target groups are all potential beneficiaries, including local authorities, economic and social groups, NGOs, environmental associations, and the general public. The list of all beneficiaries of RDP funds is published on the web site.

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

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
		126	Restoring agricultural production potential
	<i>Quality of agricultural production and products</i>	131	Meeting standards based on Community legislation
		132	Participation of farmers in food quality schemes
		133	Information and promotion activities
	<i>Transitional measures</i>	141	Semi-subsistence farming
142		Producer groups	
143		Providing farm advisory and extension services	
Axis 2 - Improving the environment and the countryside	<i>Sustainable use of agricultural land</i>	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
		216	Non-productive investments
	<i>Sustainable use of forestry land</i>	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>
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>	411	Competitiveness
		412	Environment/land management
		413	Quality of life/diversification
		421	Implementing cooperation projects
		431	Running the local action group, skills acquisition, animation