

Rural Development Programme (RDP) of Puglia, Italy

Programma di sviluppo rurale della Puglia 2007-2013 – (May 2010)¹
(Rural Development Programme for Puglia 2007-2013)

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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 Puglia

(© European Commission)

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

Puglia, located in South-eastern Italy, has 4,068,167 inhabitants, with a density of 210 in/km². According to the RDP of October 2008, Gross Domestic Product (GDP) per capita is only 72.5% of the EU-25 average. Rural areas account for 93% of the territory and 79% of the population. Puglia is the most "agricultural" Italian region, with 83.7% of surface devoted, 6.2% of the regional value added, 325,500 farms with 1.3 million ha of Utilised Agricultural Area (UAA). The region is also a leader in certain areas of production (like vineyards and olive trees) and has typical high-quality agri-food products and a landscape with great environmental value.

The RDP further highlights that there are many constraints, such as: the increasing age demographic of farmers and inadequate levels of training; poorly integrated supply networks; and the low value-added production of agri-industries. Major issues concerning the environment include: a lack of management plans for Natura 2000 areas; the decline of biodiversity, the limited extension of forestry land; low efficiency in terms of water management; and, hydrogeological and desertification risk. Areas with development problems and those considered 'intermediate areas' (Rural Areas D and C), are characterised by: inadequate infrastructural, economic and social facilities; limited diversification, depopulation, population ageing and high unemployment rates.

RDP strategic objectives

Rural Development Programme (RDP) strategy takes up the three general objectives of EU Regulation 1698/2005: improving the competitiveness of agriculture and forestry; enhancing the environment and the countryside; improving the quality of life in rural areas and encouraging

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

diversification of economic activity. These objectives are structured in the 12 priorities identified in the National Strategic Plan (NSP). Within this frame and linked to the European and National guidelines, regional features and needs identified in the context analysis outline the specific objectives of each of the axes and related measures, to pursue the following objectives: to promote modernisation in the agri-food sector (at farm and agri-food industry level and the improvement of supply chain integration), to promote sustainable agricultural development, to safeguard forestry and increase its surface area; to improve the effectiveness of local governance aimed at developing strategies to increase local employment, to implement diversification and to improve services in less favoured rural areas (LFAs).

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 emphasis on activities related to improving the competitiveness of the dairy sector, agri-environment challenges (loss of organic matter, stubble burning, waste water treatment for irrigation, energy from biomass etc.) and the availability of broadband infrastructure in rural areas. The modifications did not involve the introduction of new priorities but the reinforcement and/or the alteration of existing ones as well as the introduction of new operations.

Taking into account the additional finance 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 climate change (which received 14% of the additional funds), water management (10%), the restructuring of the dairy sector (14%), biodiversity (29%), renewable energy (10%) and improving broadband infrastructure in rural areas (23%).

Expected impact / outcomes of the policies

Programme results and impacts have been updated to take into account the RDP’s amendments for 2009. The targets include:

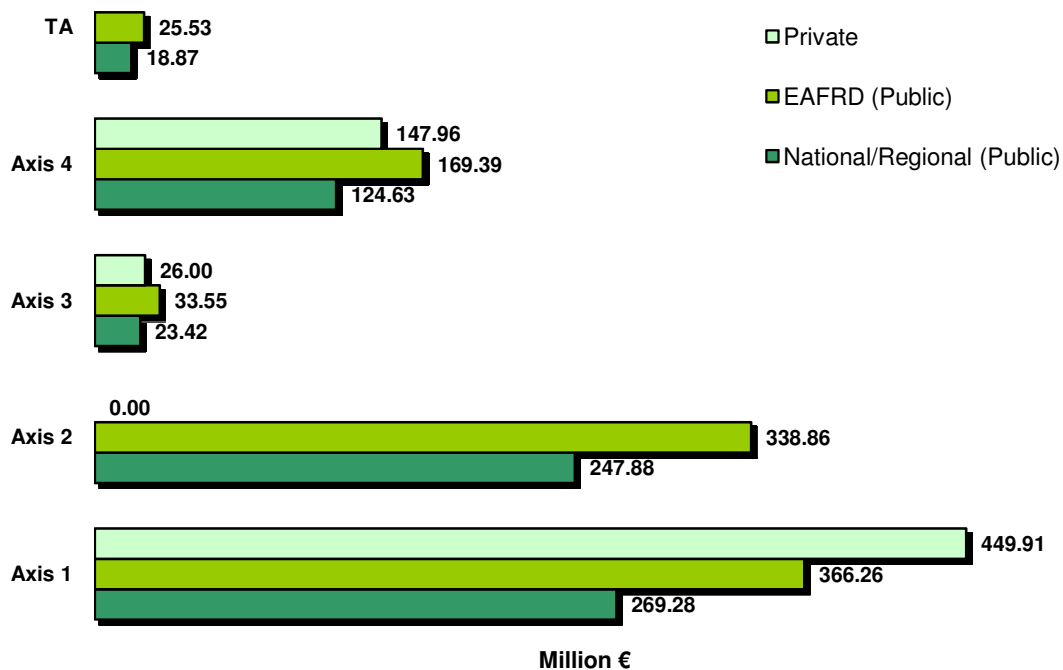
- increasing economic growth (net value added €94.59 million) by creating an additional 1,908 equivalent full-time (EFT) jobs and increasing labour productivity by increasing the gross value added [GVA] per Agricultural Labour Unit [ALU] in EFT (for axis 1 -from 816-3,360 and for axis 3 from 1,582-1,862);
- reversing biodiversity decline by increasing organic farming (13% of UAA) with a focus on vegetal species found only in Puglia (34), preserving the farmland bird population (-8%), and restoring biodiversity to about 6% of the regional surface;
- preserving agricultural and forestry land with high natural value (HNV) by maintaining 21% of the agricultural area of HNV, decreasing soil erosion (-20%), and maintaining 22% of Natura 2000 areas with extensive agriculture;
- Improving water quality by increasing organic carbon in the soil (+15%), decreasing nitrogen inputs (- 3.5%) and reducing samples outside standard - samples exceeding the value maximum of 50 mg/l - (6.2%).
- mitigating climate change by reducing CO2 emissions by 7% and ammonium by 15% from the agricultural sector, increasing the capacity to absorb CO2 (5%) and increasing energy production from renewable energies (+20%).

Specific modifications to impact indicators taking account of the RDP’s 2009 alterations include new targets for actions such as: targeting the milk sector to support producers adapt to the changing market conditions by modernising farm structures and machinery (thereby making the sector more competitive); reinforcing and modernising the distribution network of treated waste water for irrigation in order to save water (the regional irrigated area is not increased); supporting investments for the production of energy from renewable sources (mainly biomass); introducing

green cover of arboriculture land that increases carbon sequestration and promotes the sustainable use of soil avoiding desertification and erosion, and leaving stubble and/or ploughing that increases the content of organic matter as a mean of climate change mitigation (reducing desertification processes); contributing to biodiversity by converting arable lands into permanent pastures, creating small wetlands and buffer strips and promoting the exchange of information for the conservation and collection of genetic resources in agriculture; finally, developing optical fibre infrastructures in some municipalities and wireless services for rural areas not connected to broadband.

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 €2,241,532,777



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 48% of the updated RDP budget in Puglia is allocated to axis 1 (€1,085.45 million), approximately 26% is allocated to axis 2 (€586.74 million), 4% to axis 3 (€82.97 million), 20% to axis 4 (€441.97 million), and almost 2% available to fund technical assistance (€44.39 million).

Within axis 1, National/Regional public funding represents an approximate 25% share of the axis funding; EAFRD 34%; and private funds 41%.

Within axis 2, National/Regional public funding represents an approximate 42% share of the axis funding; EAFRD 58%; and private funds 0%.

Within axis 3, National/Regional public funding represents an approximate 28% share of the axis funding; EAFRD 41% and private funds 31%.

Within axis 4, National/Regional public funding represents an approximate 28% share of the axis funding; EAFRD 38%; and private funds 34%.

Within technical assistance, National/Regional public funding represents an approximate 42.5% share of the technical assistance funding and EAFRD, 57.5%.

As a consequence of the 2009 RDP amendments, the Puglia region has been assigned a total of €137,095,000 (including €82,257,000 EAFRD and €54,838,000 of regional/national public funds). Of the additional EAFRD contribution, €45,654,000 is aimed at addressing 'new challenges' and the availability of broadband in rural areas. Furthermore, €36,603,000 stems from Modulation/CMO Wine.

Axis Information²

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

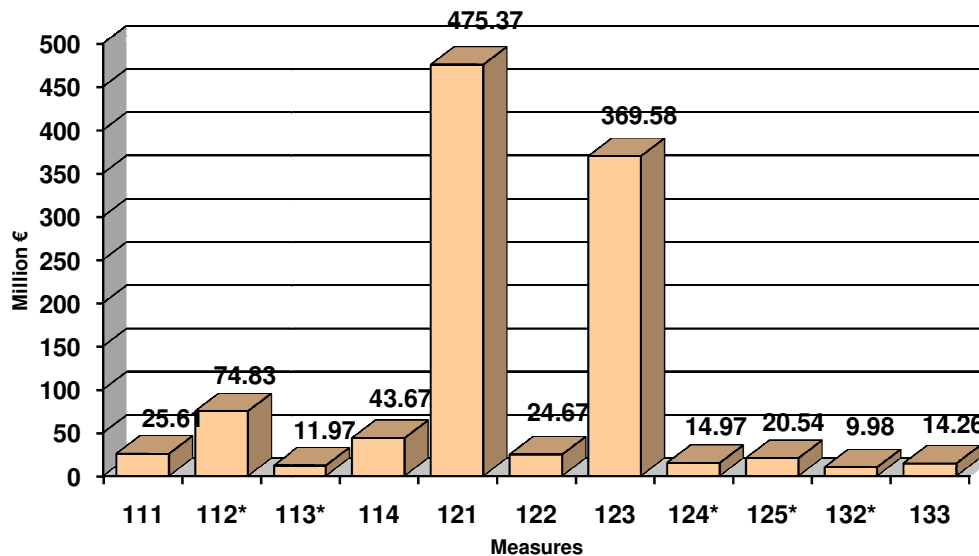
The main objectives of axis 1 include: the valorisation of agricultural and forest products; the improvement of production processes; the strengthening of production chains; the upgrading of production under food quality schemes; the improvement of infrastructural equipment, the sustainable use of water resources, the enhancement of entrepreneurial and professional skills and assistance regarding the setting up of young farmers.

Result targets include: increasing the number of participants that successfully completed training activities related to agriculture and/or forestry by 6,517; increasing the GVA in supported holdings/enterprises by €117.6 million; increasing the number of holdings/enterprises introducing new products and/or new techniques by 1,002; and increasing the value of agricultural production under recognized quality label/standards by €106.7 million. *Specific modifications to results indicators have been made to take account of amendments to the RDP including activities related to the dairy sector, such as: supporting an additional 141 farm holdings to improve production and hence competitiveness (measure 121); and, introducing operations related to improving water management practices by supporting four farm holdings to implement water saving technologies (measure 125).*

For further information on specific result and output indicators please refer to the indicator tables 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 €1,085,453,570³



Following the 2009 RDP update, the total budget allocation under axis 1 is €1,085,453,570, including an additional €17,645,166 (€10,970,000 EAFRD plus €6,675,166 of national/regional public funds). The additional EAFRD contribution supports measures 121 (€6,582,000) and 125 (€4,388,000) in strengthening the restructuring of the dairy sector and water management priorities.

Axis 2 objectives: Improving the environment and the countryside

The main objectives regarding axis 2 are as follows: the conservation of biodiversity and protection of agricultural and forestry systems with high nature value (HNV); and the preservation of water quantity and quality by low impact practices and systems. Other objectives are related to: the reduction of greenhouse gases; increasing CO₂ fixation; preserving characteristic elements of the rural landscape; protecting the territory from hydrological upheavals; facilitating the continuation of farming in disadvantaged areas; promoting agricultural and forest systems aimed at protecting soil resources, thereby countering desertification and erosion; and, conserving agricultural biodiversity by promoting cultivation of species/varieties that are at risk of extinction.

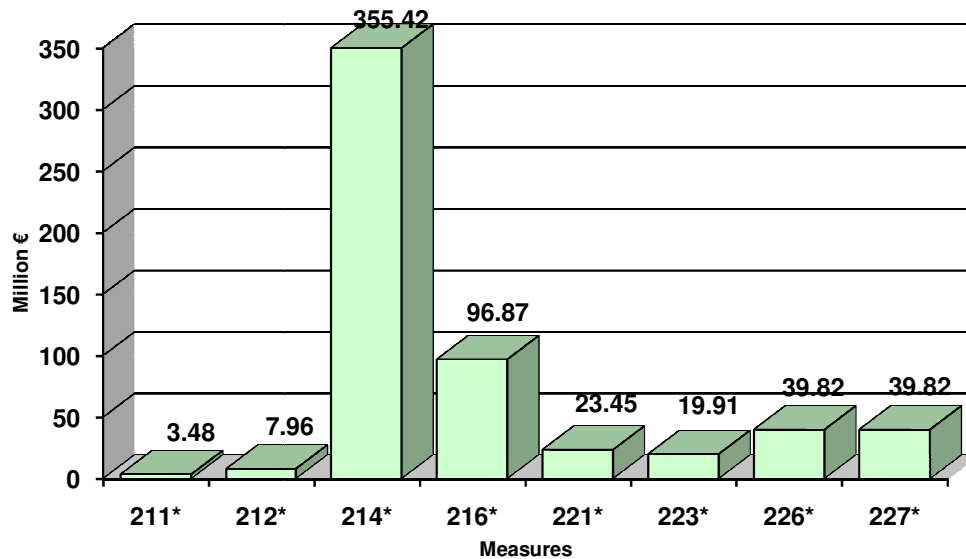
Result targets include: biodiversity and HNV farming/forestry (132,813 ha); improving water quality (81,459 ha); mitigating climate change (12,673 ha); improving soil quality (81,459 ha); and preventing marginalisation and land abandonment (132,813 ha). Specific modifications to result and output indicators have been made to take account of the amendments to the RDP. In addressing biodiversity, these include under measure 214: supporting between 4 and 1,313 holdings up to 2,299 ha to raise awareness regarding biodiversity and changes to land use. Furthermore, measure 216 supports 118 holdings to construct perennial fields, riparian boundary strips and bio-beds to protect birds and other wildlife. Finally, in order to address climate change, measure 214 reinforces the objective of improving soil management practices by supporting

³ Please note that for measures 111, 113, 124, 125 and 132 no private spending has been allocated.

between 1,129 and 1,313 holdings up to 2,299 ha, and improving the efficiency of nitrogen fertiliser usage to reduce methane and nitrous oxide emissions.

For further information on specific result and output 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 €586,742,473⁴



Following the 2009 RDP update, the total budget allocation under axis 2 is €586,742,473, including an additional €31,764,517 (€19,748,000 EAFRD plus €12,016,517 of national/regional public funds). The additional EAFRD contribution supports measures 214 (€17,554,000) and 216 (€2,194,000) in improving biodiversity and reinforcing climate change adaptation and mitigation activities.

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

The main objectives regarding axis 3 are: to increase diversification in terms of income and employment in farm households; to support the development and innovation of non-agricultural micro-enterprises and create local micro-circuits; to introduce services for rural tourism and to promote networking; to support women and young people entering the labour market; to upgrade the level of professional competences and entrepreneurial skills; to improve basic services available to the rural population (especially to disadvantaged people and those involved in challenging economic activities), to regenerate villages and emphasise elements of value in terms of rural heritage; to promote care of the landscape and the valorisation of cultural heritage.

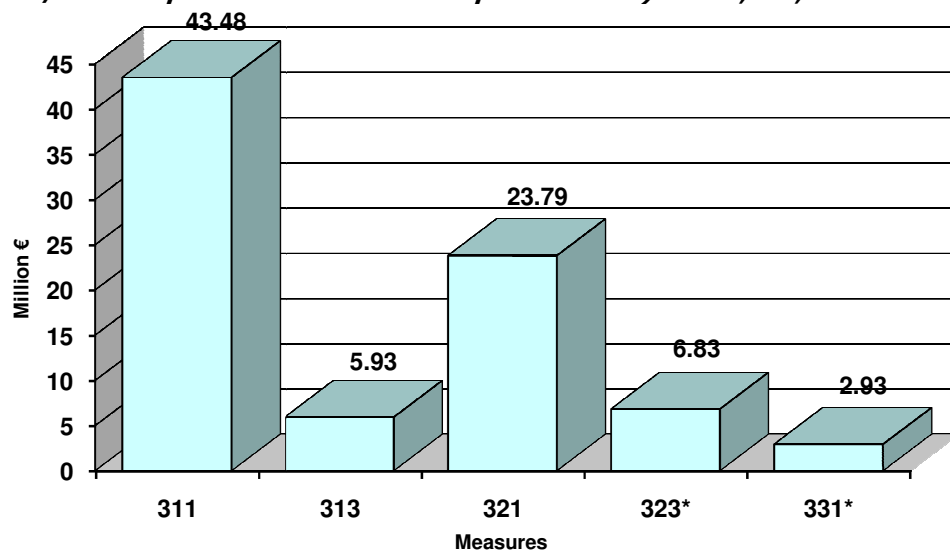
Axis 3 result indicators and targets following RDP amendments include: an increase in non-agricultural GVA in supported businesses of €7.85 million; increase the gross number of jobs created by 108; increase the number of tourists by an additional 1,074; increase the extent of the

⁴ For measures 211, 212, 214, 216, 221, 223, 226 and 227 no private spending has been allocated.

population with improved services by 15,333; increase internet penetration in rural areas by 36%; and, increase the number of participants that successfully completed a training activity by 800. Specific modifications to result and output indicators affected by amendments to the RDP affected in particular those aimed at addressing the issue of broadband availability. They include: supporting up to 15 holdings to create a new broadband infrastructure (measure 321), the inclusion of a backhaul infrastructure (11,967 ha); improving the existing broadband infrastructure; and, installing a passive broadband infrastructure.

For further information on specific result and output indicators please refer to the indicators table in the RDP.

Axis 3 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €82,966,382⁵



Following the 2009 RDP update, the new total budget allocation for axis 3 is €82,966,382, including an additional €16,966,382 (€10,548,000 EAFRD plus €6,418,382 of national/regional public funds). The additional EAFRD contribution supports measure 321 (€10,548,000) in improving regional Internet connectivity.

Axis 4 objectives: Leader

The objectives of axis 4 are to reinforce the participation of local communities in defining rural development policies and valorising endogenous resources of rural areas through the implementation of the Leader approach. This stimulates the evolution of rural territories toward systemic organisational forms, and strengthens social capital. These objectives are identified as a priority for the region and thus explain why the number of Local Action Groups (LAGs) has increased from 9 in the previous programming period to 14. Animation by the LAGs and inter-territorial and transnational cooperation will be also financed. Results targets for axis 4 are not populated. Specific modifications to result and output indicators were made to take account of amendments to the RDP. In addressing renewable energies, these include under measure 413:

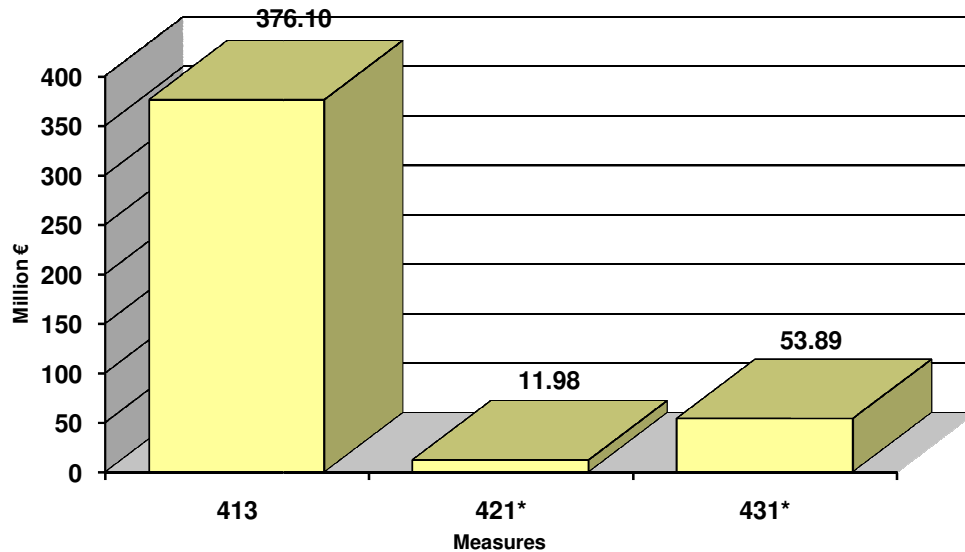
⁵ For measures 323 and 331 no private spending has been allocated.

supporting 74 holdings to install infrastructure for renewable energy using biomass and other renewable energy sources.

For further information on specific result and output indicators please refer to the indicators table in the RDP.

The number of LAGs envisaged in the RDP areas as of March 2010 was 25.

Axis 4 indicative budget breakdown by measure: Total allocated budget (including regional/national public funds + EAFRD + private funds) of €441,972,655⁶



Following the 2009 RDP update, the total budget amount for axis 4 is €441,972,655, including an additional €7,058,067 (€4,388,000 EAFRD plus €2,670,067 of national/regional public funds). The additional EAFRD contribution supports measure 413⁷ (€4,388,000) in developing renewable energies.

Monitoring and evaluation strategy

RDP 2007-2013 will make use of the new Informative Agricultural System of Puglia Region (SIARP), established in 2004, as a supporting tool for all monitoring and evaluation activities. Regarding each typology of beneficiary and in keeping with the Common Monitoring and Evaluation Framework (CMEF), features will be used in order to draw up a proper profile of those accessing the incentives and the results (type of investment, action, location, production sector, objective), will be analysed. By using the 2003 and 2005 survey data of the Italian Statistical Institute (ISTAT), Puglia has identified additional indicators not only at a regional level but also a macro-area level. These indicators focus on the entrepreneurs' tendency to associate, and on the means of commercialisation of farm products. The availability of baseline indicators for macro-areas and their collection during the implementation phase will contribute to the assessment of the performance of each area-specific issue and the contribution of each area to the programme at regional level.

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

⁷ The reinforcement of axis 4 is through implementation of measure 311/5.

Communication and publicity

The Communication Plan is aimed at reaching specific potential beneficiaries including: agricultural and agri-industrial enterprises, actors in the service sectors; LAGs; local authorities and other public bodies and promoters of production-chain or territorial projects, as well as educational and research agencies and other beneficiaries. Other target groups include subjects representing the stakes of the final beneficiaries (professional organizations and trade associations, NGOs), the general public, the media and involved institutional bodies. The plan itself includes a number of strategic measures to ensure: information reaches potential beneficiaries (RDP issues, calls publishing, customer satisfaction surveys, best practices identification and dissemination); beneficiaries are informed about EU contributions (information desk and help desk, leaflets on information requirements for final beneficiaries, mailings and newsletter on the selection processes); and the implementation of an awareness-raising campaign (newsletters, leaflets). The budget of the Communication plan is €3.0 million.

Annex I – Measures

Measures selected by the RDP	Measures selected by the updated RDP
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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>	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
	341	Skills-acquisition and animation measure with a view to preparing and implementing a local development strategy	
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