

Factsheet on 2014-2022 Rural Development Programme for Abruzzo

Commission

The Rural Development Programme (RDP) for Abruzzo was formally adopted by the European Commission on 13 November 2015, outlining Abruzzo's priorities for using the  $\in$  639 million of public money that is available for the period 2014-2022 ( $\in$  318 million from the EU budget, of which  $\in$  23 million from the NextGenerationEU recovery instrument, and  $\in$  321 million of national co-funding).

Abruzzo's RDP is putting particular emphasis on actions related to restoring, preserving and enhancing agriculture and forestry ecosystems as well as on improving the competitiveness of agriculture. Over 1 000 farmers will receive support to restructure or modernise their farms and 840 young farmers will be granted business start-up aid. About 20% of agricultural land is expected to come under management contracts supporting the environment (biodiversity, water management and soil). Roughly 32 000 hectares of land will be interested by actions to foster carbon conservation and sequestration, while 16% of the rural population will be concerned by participatory local development strategies.

Following the seismic events of 2017, Abruzzo's provision is increased through the transfer of solidarity coming from the fundings of other Italian regions not affected by the earthquake and the national budget. In addition, the region is supporting beneficiaries hit by the consequences of COVID 19 sanitary emergency with a dedicated measure as well as through the funds stemming from the 100% co-financed recovery instrument NextGenerationEU.

Support for <u>Rural Development</u> is the 2nd Pillar of the <u>Common Agricultural Policy</u>, providing Member States with an envelope of EU funding to manage nationally or regionally under multiannual, co-funded programmes. In total, 118 programmes are foreseen in all 28 Member States<sup>1</sup>. The new <u>RD Regulation</u> for the period 2014-2022 addresses six economic, environmental and social priorities, and programmes contain clear targets setting out what is to be achieved. Moreover, in order to coordinate actions better and maximise synergies with the other European Structural & Investment Funds (<u>ESIF</u>), a <u>Partnership Agreement</u> has been agreed with each Member State highlighting its broad strategy for EU-funded structural investment.

This document provides a brief overview of how the challenges and opportunities Abruzzo is facing are addressed by the RDP. In the annex, a table indicates the priorities and focus areas each with their specific targets, and their allocated budgets, after the modification approved by Commission Implementing Decision (2024)1629 of 6 March 2024.

<sup>&</sup>lt;sup>1</sup> The UK left the Union on 31st January 2020; in accordance with the Withdrawal Agreement support under Rural Development continues to apply in the UK during the 2014-2022 programming period.

# **1. SITUATION AND KEY CHALLENGES**

In Italy, rural development is implemented through 22 separate RDPs – one at national level and 21 regional RDPs (including "less developed", "transition" and "more developed" regions). In addition, the National Rural Network Programme provides the funding for the networking of rural development actors in Italy.

Abruzzo is a southern region classified as "transitional region". It covers an area of 10 763 km2 and has a population of 1.3 million inhabitants. Employment rate is 61% overall, 73% for men and 49% for women. The unemployment rate is 11% overall but rising to 33% for young people.

The Region consists of 45% arable land and permanent crops, 36% woodlands or forests, 16% grasslands, while 3% is artificial land cover. There are 66 840 farms in the Region, of which 68% with a standard output (SO) of less than  $\in$  8 000 and 14% with a SO of at least  $\in$  25 000. The average size of farms is 7 ha of utilized agricultural area (UAA) and the average SO is  $\in$  19 352. These values are lower than the national average, substantially below the averages of most EU countries. A major challenge in terms of competitiveness of agriculture faced by the Abruzzo is represented by the pursuit of a higher degree of efficiency either through increasing farm size or through cooperation between farms.

The UAA is 453 630 hectares, of which 40% are arable crops, 42% permanent grassland and 17% permanent crops (mainly vines and olives). Areas with natural constraints amount to 70% of the region's surface.

Livestock farming amounts to 173 510 livestock units. Extensive systems and mountain pastures mainly characterize animal husbandry in Abruzzo, except for few specific situations related to the poultry along the coast. Nitrate pollution regards therefore limited areas. Water resources face limited pressures from agriculture and fertilizer use per hectare is on average less than in the neighbouring regions. The loss of soil due to water erosion is estimated at about 46% of the total UAA.

Another challenge is reversing the trend of marginalization of mountain areas, including the digital divide and poorer internet services in some areas.

# 2. HOW ABRUZZO'S RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, Abruzzo's RDP will fund actions under all six Rural Development priorities, with a particular emphasis on preserving, restoring and enhancing the ecosystems related to agriculture and forestry as well as on improving the competitiveness of agriculture. The focus of each priority is explained briefly below.

### Knowledge transfer and innovation in agriculture, forestry and rural areas

The actions under this priority face to important needs identified for Abruzzo: promoting networks and partnerships between companies and actors in the system of knowledge, adaptation and strengthening networks of information to businesses, qualify professionals. Almost 6% of the RDP budget is allocated on this priority; it is expected to fund 32 cooperation projects (including projects under the European Innovation Partnership) and about 1 200 places for farmers and foresters in training activities.

### Competitiveness of agro sector and sustainable forestry

To face the challenge of competitiveness RDP provides funding for actions supported by six different measures. In terms of financing, the most important ones are investments in physical assets (concerning 540 farms) and farm and business development (supporting establishment of young farmers and diversification into non-agricultural activities such as rural tourism and production of renewable energy). In addition, the RDP will support cooperation projects in social agriculture and forestry. The forest sector will also be supported through investments in forestry technologies and

in processing of forest products. The selection criteria of all interventions will foster innovative, environmental or climate-oriented project.

# Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

Under this priority, Abruzzo will support the promotion of quality products and the participation of farmers in quality schemes, as well as investments in the processing and marketing of agricultural products (which will affect 450 agro-industrial companies), also through the development of short supply chains and local markets, focusing on innovative projects and those that contribute to the reduction of impacts on the environment and climate. The RDP also provides support for actions to prevent and repair damage caused by natural disasters, in synergy with specific actions under the national RDP. In this context it is particularly important for Abruzzo to support investments for the reduction of hydrogeological instability trough prevention of damage caused by atmospheric adversities and forest fire prevention.

### Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Under this priority, the RDP aims to support environment-friendly farm practices. In particular, about 97 000 ha of agricultural land will be under agro-environment-climate contracts.

Abruzzo's RDP will also support environmental investments in agriculture and forestry as well as actions supporting biodiversity especially in *Natura 2000* areas and other areas of high natural value. Other important actions concern the support of organic farming (26 000 ha) and the payments to farmers in mountain areas to avoid the risk of land abandonment.

# Resource efficiency and climate

Under this priority, the RDP includes the following actions: investments for improving the efficiency of irrigation systems (on around 8% of the irrigated land); afforestation of agricultural and non-agricultural land and investments improving the resilience and environmental value of forest ecosystems especially in *Natura 2000* areas.

The intervention of the RDP in favour of resource efficiency and the shift towards a low carbon and climate resilient economy is not limited to support for specific actions listed above but will consider also that these issues are taken into account during the phase of selection of projects on all actions financed by the RDP.

### Social inclusion and local development in rural areas

The main actions of the RDP Abruzzo under this priority refer to create basic services in rural areas (first of all, concerning ultra-broadband infrastructure, over  $\in$  21 million will be allocated in order to cover 16% more of the rural population), support for local development strategies (LEADER) which includes the involvement of almost half of rural areas population and the creation of about 50 additional jobs and farm and business development in order to favour employment in rural areas.

The five **largest RDP measures** in budgetary terms (total public funding) are:

- o € 220 million euro allocated to measure 4 (Investments in physical assets)
- € 103 million euro allocated to measure 10 (Agro-environment-climate)
- o € 68 million allocated to measure 6 (Farm and Business development)
- $\circ$  € 59 million allocated to measure 11 (Organic Farming)
- o € 53 million allocated to measure 13 (ANCs)

# Annex 1: Indicative public support for the Rural Development Programme in Abruzzo

Target		Measure	Indicative public support €	%
P1: Fostering knowledge transfer and inno areas <sup>2</sup>	0,00			
1A Innovation, cooperation, knowledge			0,00	
T1: percentage of expenditure under Articles 14, 15 and 35 of Regulation (EU) No 1305/2013 in relation to the total expenditure for the RDP (focus area 1A)	1,78	M01 Knowledge	0,00	
		M02 Advisory services	0,00	
		M16 Cooperation	0,00	
1B Research & innovation			0,00	
T2: Total number of cooperation operations supported under the cooperation measure (Article 35 of Regulation (EU) No 1305/2013) (groups, networks/clusters, pilot projects) (focus area 1B)	32,00	M16 Cooperation	0,00	
1C Lifelong learning and vocational training			0,00	
T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)	1.200,00	M01 Knowledge	0,00	
P2: Enhancing farm viability and competitie and promoting innovative farm technologie			206.053.558,27	32,26%
2A Farm performance		Total: 2A	129.888.528,25	20,34%
T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	0,81	M01 Knowledge	360.055,08	0,06%
Total investment € (public + private)	243.960.000,00	M02 Advisory services	1.132.324,09	0,18%
Nr of holdings supported for investment in agricultural holdings (4.1)	540,00	M04 Physical Investment	110.828.161,23	17,35%
Nr of beneficiaries advised (2.1)	753,00	M06 Farm and business development	9.033.444,00	1,41%
		M16 Cooperation	2.358.652,60	0,37%
	·	M21 COVID-19 crisis	6.175.891,25	0,97%
2B New farmers		Total: 2B	76.165.030,02	11,93%
T5: percentage of agricultural holdings with RDP supported business development plan /investments for young farmers (FA 2B)	1,30	M01 Knowledge	1.325.000,00	0,21%
Total investment € (public + private)	85.084.543,08	M02 Advisory services	133.874,09	0,02%
Nr of beneficiaries (holdings) receiving start up aid young farmers (6.1)	866,00	M04 Physical Investment	15.621.612,85	2,45%
Nr of beneficiaries advised (2.1)	89,00	M06 Farm and business development	59.084.543,08	9,25%

 $^{2}$  No financial allocation shown for Priority 1 as the expenditure is distributed across other focus area

		96.309.992,60	15,08%
	Total: 3A	88.370.365,55	13,84%
0,84	M01 Knowledge	135.494,23	0,02%
6,43	M02 Advisory services	759.454,26	0,12%
142.000.000,00	M03 Quality schemes	12.869.909,97	2,02%
450,00	M04 Physical Investment	71.131.214,78	11,14%
500,00	M16 Cooperation	3.474.292,31	0,54%
60,00			
501,00			
	Total: 3B	7.939.627,05	1,24%
10,00	M05 Restoring agricultural potential	4.777.285,47	0,75%
	M08 Forest	3.162.341,58	0,50%
systems related to ag	riculture and forestry <sup>3</sup>	223.136.470,10	34,94%
	Total: P4	223.136.470,10	34,94%
0,91	M01 Knowledge	0,00	0,00%
25,79	M02 Advisory services	1.686.919,74	0,26%
	M04 Physical Investment	4.642.696,85	0,73%
15,21	M07 Basic services	1.330.436,72	0,21%
	M10 Agri- environment-climate	102.809.566,38	16,10%
29,54	M11 Organic Farming	59.362.605,74	9,29%
	M13 Areas with natural constraints	53.304.244,67	8,35%
4.642.696,85			
97.000,00			
	x management in agric 0,84 6,43 142.000.000,00 450,00 500,00 501,00 10,00 501,00 0,91 25,79 0,91 25,79 15,21	0.8.4M01 Knowledge0.8.4M02 Advisory services142.000.000,0M03 Quality schemes450,00M04 Physical nvestment60,00M16 Cooperation60,00Total: 3B501,00M05 Restoring gricultural potential M08 Forest10,00M05 Restoring gricultural potential M08 Forest501,00M05 Restoring gricultural potential M08 Forest501,00M05 Restoring gricultural potential M08 Forest501,00M01 Knowledge501,01M01 Knowledge501,02M02 Advisory services501,03M02 Advisory services501,04M01 Knowledge501,05M02 Advisory services501,06M01 Knowledge501,07M01 Knowledge501,08M01 Advisory services501,09M01 Knowledge501,09M01 Advisory services501,09M01 Advi	Additional services 303.393.932,00   Total: 3A 88.370.365,55   0,84 M01 Knowledge 135.494,23   0,84 M02 Advisory services 759.454,26   142.000.000,0 M03 Quality schemes 12.869.909,97   142.000.000,0 M03 Quality schemes 12.869.909,97   142.000.000,0 M04 Physical Investment 71.131.214,78   500,00 M16 Cooperation 3.474.292,31   60,00  3.474.292,31   60,00 M05 Restoring agricultural potential 4.777.285,47   10,00 M05 Frest 3.162.341,58   Systems related to agricultural potential 4.777.285,47   M08 Forest 3.162.341,58   Systems related to agricultural potential 4.070,00   M01 Knowledge 0,00   M02 Advisory services 1.686.919,74   M04 Physical Investment 4.642.696,85   M04 Physical Investment 1.03.0436,72   M04 Physical Investment 1.02.809.566,38   M10 Agri- environment-climate 102.809.566,38   M11 Organic Farming Autral constraints

 $^{3}$  Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas.

Area (ha) - convertion to organic farming (11.1)	12.000,00
Area (ha) - maintainance of organic farming (11.2)	26.000,00
Nr of beneficiaries advised (2.1)	1.506,00

P5: Promoting resource efficiency and supp climate resilient economy in agriculture, fo		s a low carbon and	24.340.243,11	3,81%
5A Water efficiency		Total: 5A	17.393.838,33	2,72%
T14: percentage of irrigated land switching to more efficient irrigation system (focus area 5A)	8,25	M04 Physical Investment	17.393.838,33	2,72%
Total investment € (public + private)	21.200.000,00			
5E Carbon conservation / sequestration		Total: 5E	6.946.404,78	1,09%
T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)	3,14	M01 Knowledge	0,00	0,00%

P6: Promoting social inclusion, poverty reduction and economic development in rural 71.347.257,67 11,17% areas

6B Local development		Total: 6B	49.949.166,67	7,82%
T21: percentage of rural population covered by local development strategies (focus area 6B)	74,35	M07 Basic services	12.720.000,00	1,99%
T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	14,87	M19 LEADER and CLLD	37.229.166,67	5,83%
T23: Jobs created in supported projects (Leader) (focus area 6B)	50,00			
Population benefiting from improved services/infrastructures (7.1; 7.2; 7.4; 7.5.;7.6; 7.7)	200.000,00			
Population covered by LAG	1.000.000,00			
Number of LAGs selected	9,00			
6C ICT		Total: 6C	21.398.091,00	3,35%
T24: percentage of rural population benefiting from new or improved services/infrastructures	15,88	M01 Knowledge	0,00	0,00%

Total public expenditure		638.682.908,84	100,00%
M113 Early retirement		191.569,69	0,03%
M20 TA		17.303.817,40	2,71%
	M07 Basic services	21.398.091,00	3,35%
(ICT) (focus area 6C)			