



November 2023

Factsheet on 2014-2022 Rural Development Programme for Puglia

The Rural Development Programme (RDP) for Puglia, outlining Puglia's priorities for the use of over € 2 billion of public money that is available for the period 2014-2022 (€ 1 328 million from the EU budget - of which € 93 million from the NextGenerationEU recovery instrument, € 806 million from national co-funding and € 30 million from additional national financing), was formally adopted by the European Commission on 24 November 2015 and last amended on 25 July 2023.

Puglia's RDP puts particular emphasis on actions related to improving the competitiveness of agriculture as well as on restoring, preserving and enhancing agriculture and forestry ecosystems (each having a share around one third of the financial resources). Over 3 820 farmers will receive support to restructure or modernise their farms and 2 000 young farmers will be granted business start-up aid. Investments will also be encouraged through activation of one specific guarantee fund that will support investments: for restructuring or modernisation of agricultural holdings, for processing and marketing of agricultural products and in creation and development of non-agricultural activities. About 30% of agricultural land is expected to come under management contracts supporting the environment, meaning that around 40 730 hectares will be targeted to specific biodiversity objectives, around 317 500 hectares will be under contracts to improve water management and 92 510 hectares to improve soil management and/or soil erosion. In addition, around 227 700 hectares of farmland will receive support to either convert to or maintain organic farming. Furthermore, the Region aims at providing training to more than 8 600 participants. As for the rural population, 94% will be concerned by local development strategies, developed by LEADER Local Action Groups, 16% is targeted to be provided with improved services or infrastructures and 14.5% will have access to improved ICT and broadband infrastructure. Finally, the RDP will support the beneficiaries most affected by the consequences of the COVID 19 health crisis with a dedicated measure, as well as through the funds stemming from the 100% co-financed recovery instrument NextGenerationEU. Finally, livestock farmers, who are particularly affected by the impact of Russia's invasion of Ukraine, will receive exceptional temporary support in the form of a one-off lump sum.

Support for [Rural Development](#) is the 2nd Pillar of the [Common Agricultural Policy](#), providing Member States with an envelope of EU funding to manage nationally or regionally under multi-annual, co-funded programmes. In total, 118 programmes are foreseen in all 28 Member States¹. The [RD Regulation](#) 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 ([ESIF](#)), a [Partnership Agreement](#) has been agreed with each Member State highlighting its broad strategy for EU-funded structural investment.

¹ 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 2014-2020 programming period.

This document provides a brief overview of how the challenges and opportunities Puglia 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.

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.

Puglia is a southern region classified as "less developed". It covers an area of 19 541 km² and has a population of 4.09 million inhabitants, out of which 85.1% live in rural areas. 17.2% of rural areas are considered to have development issues, covering 4% of the population. The intermediate rural areas cover 48.3% in terms of area and 46.8% in terms of population and urban and peri-urban areas cover 3.1% in terms of area and 15.1% of the population. The overall employment rate is 45% (below the national average), whereas the unemployment rate is 15.7% overall but rising to 41.5% for young people (above the national average).

The Region is characterized mainly by flatland and some smaller hills, having almost no mountainous area. Its territory consists of 7.5% of forest land and 83.2% agricultural land (representing 10% of the Italian utilized agricultural area UUA). The UAA is 1 285 290 hectares, of which 51% are arable crops, 8% permanent grassland and 41% permanent crops (mainly vines and olive). The animal husbandry sector is rather insignificant accounting only for 1.4% of the regional agricultural holdings.

There are 272 000 farms in the Region, mainly run by families. 94% of the agricultural holdings are specialised, in particular in olive production (54%). Other key sectors are vine, fruit and vegetables. The average size of farms is around 4.7 ha. The small size of the farms and resulting land fragmentation have been identified as a major challenge for the Region's agriculture along with the problem of generational renewal. In terms of competitiveness of agriculture, a major challenge faced by the Puglia is represented by the pursuit of a higher degree of efficiency either through increasing farm size or through aggregation processes.

The Region faces a series of environmental problems such as desertification, droughts, decrease in biodiversity, soil erosion, extensive water use in agriculture, a dramatic reduction of the number of local species. As for renewable energies, only 10% of regional energy production comes from such sources.

2. HOW PUGLIA'S RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, Puglia's RDP funds 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 Region under this priority aims to boost interest in training and advisory initiatives. Knowledge transfer will address the training, coaching, information and advisory needs of the agricultural, food and forestry sectors as well other land holder and SMEs in rural areas, in

particular related to sustainable agricultural and forestry practices, regulatory issues, innovation and technology, quality products and diversification. 2 800 places will be made available in training courses. An important element is innovation: 93 projects will be supported to strengthen the link between agriculture, food and forestry sectors and research and the programme will implement the European Innovation Partnership.

Competitiveness of agri sector and sustainable forestry

To face the challenge of competitiveness RDP provides funding for actions supported by five different measures. In terms of financing, the most important ones are investments in physical assets (with 36% of the RDP's financial allocation) and farm and business development (supporting establishment of approximately 2 000 young farmers and diversification into non-agricultural activities such as rural tourism). A specific guarantee fund will also contribute in supporting investments in physical assets. In addition, support is available for cooperation projects and the forest sector will be supported through investments in forestry technologies and in processing of forest products. Finally, the RDP will support around 1 200 beneficiaries affected by the consequences of the COVID 19 health crisis and 690 beneficiaries affected by the war in Ukraine.

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

Under this priority, Puglia aims at supporting around 1 610 agricultural holdings for the participation of farmers in quality schemes, local markets and short supply circuits, as well as investments in the processing and marketing of agricultural products (which will affect 5% agro-food holdings). A specific guarantee fund will also contribute in supporting investments in the processing and marketing of agricultural products. 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 Puglia to support investments for the prevention of damage caused by *Xylella fastidiosa* hitting hardy the Region's olive trees.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Under this priority, facing a major challenge to the Puglia, the RDP aims to support environmental-friendly farm practices going beyond the obligations imposed by environmental legislation and the greening of the CAP. In particular, 36% of the allocated EAFRD amount will be dedicated to area-based payments to farmers for using environment/climate-friendly land management practices, including organic farming.

Under this priority, Puglia will focus on environment-friendly farm investments and management procedures, with a particular emphasis on quality of water: 24% of agricultural land will be under contracts to improve water management. The problem of water erosion will be tackled by placing more than 8% of the agricultural land under management contracts combating soil erosion. 7% of agricultural land and 1% of forestry land will be under management contracts supporting biodiversity.

Resource efficiency and climate

Under this priority, RDP Puglia will pursue carbon conservation and sequestration mainly by supporting afforestation, agroforestry systems, the prevention and restoration of damage to forest, the improvement of the resilience and environmental value of forest ecosystems, as well as their conservation, also by encouraging environmentally and climate friendly forest conservation services.

The RDP will also pursue a higher efficiency of water use with 19 % of irrigated land switching to more efficient irrigation system.

Social inclusion and local development in rural areas

The main action of the RDP Puglia under this priority refer to ultra-broadband infrastructure with € 12 135 million public allocation in order to cover 14.5% more of the rural population with ICT infrastructure) and support for local development strategies (LEADER) which covers 94.3% of the rural population and includes the creation of about 400 additional jobs through LEADER.

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

€ 823 million allocated to measure 4 (Investments in physical assets)

€ 451 million allocated to measure 11 (Organic farming)

€ 218 million allocated to measure 10 (Agri-environment-climate)

€ 165 million allocated to measure 6 (Farm and business development).

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

Target		Measure	Indicative public support	%
P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas			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)	2.77	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)	93.00	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)	2, 800.00	M01 Knowledge	0,00	
P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests			769, 734, 903.15	35.56%
2A Farm performance		Total: 2A	459, 886, 460.16	21.25%
T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	1.41	M04 Physical Investment	345, 700, 271.36	15.97%
Total investment € (public + private)	764, 633, 988.00	M06 Farm and business development	61, 615, 994.00	2.85%
Nr of holdings supported for investment in agricultural holdings (4.1)	3, 824. 00	M08 Forest	4, 000, 000.00	0.18%
		M16 Cooperation	29, 828,250.00	1.38%
		M21 COVID-19 crisis	8, 376, 944.80	0.39%
		M22 Impact of Russia's invasion of Ukraine	10, 365, 000.00	0.48%
2B New farmers		Total: 2B	309, 848, 442.99	14.32%
T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	1.24	M01 Knowledge	13, 414, 990.00	0.62%
Total investment € (public + private)	454,130, 000.00	M04 Physical Investment	192, 703, 452.99	8.90%
Nr of beneficiaries (holdings) receiving start up aid young farmers (6.1)	2, 045.00	M06 Farm and business development	103, 730, 000.00	4.79%
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture			237, 991, 674.98	11.00%

3A Competitiveness of producers		Total: 3A	188,991,674.98	8.73%
T6: percentage of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)	0.59	M02 Advisory services	8,000,000.00	0.37%
T25: Percentuale imprese agroalimentari sostenute con M 4.2	8.20	M03 Quality schemes	16,882,824.98	0.78%
Total investment € (public + private)	327,800,000.00	M04 Physical Investment	147,500,000.00	6.81%
Nr of operations supported for investment (e.g. in agricultural holdings, in processing and marketing of ag. products) (4.1 and 4.2)	590.00	M09 Producer groups / organisations	5,027,249.59	0.23%
Nr of holdings supported (3.1)	914.00	M16 Cooperation	6,660,600.41	0.31%
Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)	200.00	M21 COVID-19 crisis	4,921,000.00	0.23%
Nr of holdings participating in producer groups supported	500.00			
Nr of beneficiaries advised (2.1)	8,500.00			
3B Risk management		Total: 3B	49,000,000.00	2.26%
T7: percentage of farms participating in risk management schemes (focus area 3B)	0.08	M05 Restoring agricultural potential	49,000,000.00	2.26%
T26: Percentuale imprese agricole beneficiarie M 5.1	0.08			
Nr of beneficiaries for preventive actions (5.1) - farm holdings	212.00			
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry			776,821,546.74	35.89%
4A Biodiversity, HNV and landscapes		Total: P4	776,821,546.74	35.89%
T8: percentage of forest/other wooded area under management contracts supporting biodiversity (focus area 4A)	1.24	M04 Physical Investment	83,757,435.69	3.87%
T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)	3.07	M08 Forest	22,200,000.00	1.03%
4B Water management		M10 Agri-environment-climate	218,742,565.00	10.11%
T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	24.62	M11 Organic Farming	451,834,230.05	20.87%
T11: percentage of forestry land under management contracts to improve water management (focus area 4B)	1.24	M12 NAT 2000 & WFD	277,316.00	0.01%
4C Soil management		M13 Areas with natural constraints	10,000.00	0.00%
T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	7.20			
T13: percentage of forestry land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	1.24			
P4 All Focus Areas				
Total investment € (public + private)	83,757,435.69			

Area (ha) to be afforested (establishment - 8.1)	2, 210.00			
Area (ha) to be established in agro-forestry systems (8.2)	500.00			
Area (ha) under agri-environment-climate (10.1)	99, 650.00			
Area (ha) - conversion to organic farming (11.1)	113, 568.00			
Area (ha) - maintainance of organic farming (11.2)	113, 078.00			
Area (ha) - NATURA 2000 AG land (12.1)	2, 081.00			
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors			136, 315, 137.36	6.30%
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5A Water efficiency		Total: 5A	53, 915, 137.36	2.49%
T14: percentage of irrigated land switching to more efficient irrigation system (focus area 5A)	19.13	M04 Physical Investment	53, 915, 137.36	2.49%
Total investment € (public + private)	53, 915, 137.36			
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5E Carbon conservation / sequestration		Total: 5E	82, 400, 000.00	3.81%
T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)	0.19	M08 Forest	80, 400, 000.00	3.71%
Area (ha) to be afforested (establishment - 8.1)	2, 210.00	M16 Cooperation	2, 000, 000.00	0.09%
Area (ha) to be established in agro-forestry systems (8.2)	500.00			
P6: Promoting social inclusion, poverty reduction and economic development in rural areas			196, 024, 800.01	9.06%
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6B Local development		Total: 6B	183, 889, 800.01	8.50%
T21: percentage of rural population covered by local development strategies (focus area 6B)	94.30	M07 Basic services	29, 568, 267.01	1.37%
T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	16.25	M19 LEADER and CLLD	154, 321, 533.00	7.13%
T23: Jobs created in supported projects (Leader) (focus area 6B)	400.00			
Population benefiting from improved services/infrastructures (7.1; 7.2; 7.4; 7.5.;7.6; 7.7)	560, 000.00			
Population covered by LAG	3, 250, 000.00			
Number of LAGs selected	25.00			
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6C ICT		Total: 6C	12, 135, 000.00	0.56%
T24: percentage of rural population benefiting from new or improved services/infrastructures (ICT) (focus area 6C)	14.51	M07 Basic services	12, 135, 000.00	0.56%
M20 TA			47, 547, 147.11	2.20%

		47, 547, 147.11	2.20%
M113 Early retirement		46, 528.93	0.00%
		46, 528.93	0.00%
Total public expenditure		2, 164, 481, 738.28	100.00%