



## **Factsheet on the Rural Development Programme 2014-2022 for the Province of Bolzano**

08/2023

The Rural Development Programme (RDP) of the Autonomous Province of Bolzano was formally adopted by the European Commission on 26 May 2015 and sets out the province's priorities for the use of more than EUR 486 million of public funding available for the period 2014-2022 (over EUR 219 million from the EU budget of which €16 million from the NextGenerationEU recovery instrument). In addition to these amounts, the Province of Bolzano has allocated over EUR 76 million to the RDP for additional national funding.

The RDP for the Province of Bolzano focuses mainly on restoring, preserving and enhancing ecosystems, resource efficiency and climate change, as well as improving the competitiveness of the agricultural and forestry sectors. About a quarter of the agricultural area will be covered by management contracts supporting biodiversity, 20 % will contribute to soil management and erosion prevention, while 10,5 % of agricultural land will be subject to contracts to reduce greenhouse gases and ammonia emissions. With a view to improving the competitiveness of farmers, 194 farms will receive support for restructuring and modernisation of farms and close to 9% of farms will benefit from a contribution that will allow young farmers to start their activities. Investment in basic services will be supported within the LEADER local action groups, whose local development strategies will cover 17 % of the rural population and will create 50 additional jobs. About 2.5 % of the rural population will also benefit from new or improved broadband infrastructure.

For rural development support, the 2nd Pillar of the Common Agricultural Policy, the European Union provides Member States with a financial envelope that is managed at national or regional level in the context of multi-annual co-financed programmes. In total, 118 programmes are foreseen in all 27 Member States<sup>1</sup>. The new Rural Development Regulation for the 2014-2020 period addresses six economic, environmental and social priorities, and programmes contain clear targets setting out what is to be achieved. In addition, in order to facilitate coordination of interventions and maximise synergies with the other European Structural and Investment (ESI) Funds, a Partnership Agreement has been concluded with each Member State, setting out its

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<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 2014-2020 programming period.

overall strategy for EU-funded structural investments. The Partnership Agreement of Italy was approved on 29 October 2014.

This document provides a brief overview of how the challenges and opportunities faced by the Province of Bolzano were taken into account under the RDP. The Annex provides a table setting out the specific priorities and aspects with their respective allocated objectives and budgets.

## **1. SITUATION AND MAIN CHALLENGES**

In Italy, rural development is the subject of 22 RDPs of which one at national level and 21 regional programmes. In addition, the national rural network programme provides the funds for establishing networks of operators active in rural development in Italy.

The Province of Bolzano, which is fully located in the Alps, covers an area of 7 400 km<sup>2</sup>, of which 92 % is classified as a rural area with a number of specific development problems. Agricultural land accounts for 40 % of the land, while forests make up 48 % of the land. Bolzano has a population of 477 000 inhabitants, most of which live in rural areas. The employment rate is 72 %, while the unemployment rate is 4.4 % (2012). 5 % of the working population works in agriculture. Only 8 % of the utilised agricultural area (UAA) is intended for fruit production and wine (about 23 000 ha out of 267 500 ha of UAA), but it is of strategic importance for the province's economy. More than 50 % of the gross sellable production in the province comes from this sector. In the Province of Bolzano, fruit cultivation extends for 18 600 hectares and is almost completely (except 100 ha) dedicated to meleti.

The main problems of the Province of Bolzano derive from its geographical location. The whole territory is classified as a mountain area and the livestock farming is carried out under very difficult conditions, especially in areas with natural constraints. The Province of Bolzano also faces challenges linked to the need for a re-orientation of the sector towards more sustainable and innovative agriculture and in particular the adaptation of agriculture and forestry to climate change.

## **2. HOW DOES THE RDP OF THE PROVINCE OF BOLZANO INTEND TO ADDRESS THESE CHALLENGES?**

To address these challenges, the RDP of the Province of Bolzano will finance operations under all six rural development priorities, with a particular focus on preserving, restoring and enhancing ecosystems related to agriculture and forests, as well as promoting the efficient use of resources and the shift towards a low-carbon and climate-resilient economy in the agriculture, food and forestry sectors. A brief summary of the objectives of the individual priorities is set out below.

### Fostering knowledge transfer and innovation in agriculture, forestry and rural areas

The knowledge transfer system (workshops, demonstration activities, information actions and inter-company trade) will be developed through specific training courses for farmers, focusing in particular on issues such as climate change and sustainable agriculture. The programme pays particular attention to the training of new entrepreneurs, in particular young farmers. Innovation, which is very important, is promoted through cooperation projects and transfer of information and knowledge between agribusiness, researchers and other stakeholders. 7 cooperation projects will be implemented, including support to operational groups under the EIP, while 1 600 people will be able to participate in the training courses.

### Enhancing the competitiveness of the agricultural sector and sustainable forestry

As regards support for investment in and modernisation of agricultural holdings, priority is given to enterprises with innovative potential, projects of young farmers and sustainable forest management. Funding will be granted to the dairy sector, with 194 farms receiving RDP funds to invest in restructuring or modernisation, while close to 9 % of farms will receive support that will allow young farmers to start their business.

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

Primary producers will receive support from the Province's own resources for investments in products linked to approved quality schemes; however, the RDP will contribute to the financing of investments for the modernisation of dairies and will encourage the participation of farmers in cooperation projects for the development of short supply chains and local markets. The Province plans to support 41 investment projects in the processing and marketing of agricultural products.

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

Under this priority, the Province of Bolzano will focus on investments in environmental and climate friendly farms and on investments to increase the resilience of forest ecosystems. Around 24 % of agricultural land is under management contracts supporting biodiversity, 13 % is covered by contracts to improve water management and another 20 % will help prevent soil erosion.

More than 60 % of the amount allocated by the EAFRD shall be used for area-based payments made to farmers adopting climate and/or environmental friendly land management practices, including organic farming, and for areas with natural constraints.

#### Promoting resource efficiency and resilience to climate change

This priority aims to support the shift towards a low-carbon and climate-resilient economy in agriculture and forestry, and will be supported through area-based payments. About 10.5 % of agricultural land will contribute to the reduction of greenhouse gases and ammonia emissions, while 4.12 % of agricultural and forest land will be subject to management contracts that contribute to carbon capture or conservation.

#### Striving for social inclusion and local development in rural areas

This priority is mainly implemented through the bottom-up approach through local development strategies developed by the 4 LEADER local action groups foreseen. Basic services will be improved for 0.14 % of the population. Around 2.43 % of the rural population will also benefit from new or improved broadband infrastructure through investments under this priority. The activities included in the local development strategies, which cover 17 % of the rural population, will create 50 jobs.

The four **main RDP measures** in financial terms (overall public funding, including additional national funding) are the following:

- EUR 156 million allocated to measure 13 (areas facing natural or other specific constraints);
- EUR 155 million allocated to measure 10 (agri-environment-climate measures);
- EUR 103 million allocated to measure 4 (investments in physical assets);
- EUR 40 million allocated to measure 6 (farm and business development).

**Annex 1: indicative public expenditure for the Rural Development Programme of the Autonomous Province of Bolzano**

Target	Measure	Total Public Expenditure	%
<b>Priority 1: fostering knowledge transfer and innovation in agriculture, forestry, and rural areas</b>			
1A: Fostering innovation, cooperation, and the development of the knowledge base in rural areas 0.81 % of RDP expenditure	01 knowledge transfer and training		
	16 cooperation		
1B: Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance 7 Cooperation projects	16 cooperation		
1C: Training 1 600 participants in training	01 knowledge transfer and training		
<b>Priorità 2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and sustainable management of forest</b>		<b>97 812 007,22,21</b>	<b>17,38</b>
2A: Improving economic performance and encouraging restructuring and modernisation 0,96 % of holdings with RDP support	01 knowledge transfer and training	361 111,11	0,06
	04 investments	46 330 000,10	8,23
	08 forests	10 300 000	1,83
2B: foster generational renewal 8,85 % of agricultural holdings with RDP supported development plan/investments for young farmers	06 farm and business development	40 820 896	7,25
<b>Priority 3: promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture</b>		<b>55 800 966,71</b>	<b>9,91</b>
3A: Improving competitiveness of primary producers	01 knowledge transfer and training	794 444,45	0,14
	04 investments	53 006 522,26	9,42
	16 cooperation	2 000 000	0,36

<b>Priority 4:restoring, preserving and enhancing ecosystems related to agriculture and forestry<sup>2</sup></b>		<b>307 813 694,87</b>	<b>54,69</b>
4nd Biodiversity 0.19 % of forest/other wooded area under management contracts 23.49 % of the agricultural area is covered by management plans	01 knowledge transfer and training	344 444,44	0,06
	04 investments	3 300 000	0,59
4b Water management 12.99 % of agricultural land under management contracts	08 forests	18 969 250,43	3,37
	10 agri-environment-climate	99 450 000	17,98
4c Prevention of soil erosion and improving soil management 19.23 % of agricultural land under management contracts 0.19 % of forest land under management contracts	11 organic farming	29 750 000	5,29
	13 less-favoured areas	156 000 000	27,72
<b>Priority 5:promoting resource efficiency and the shift towards a low-carbon and climate-resilient economy</b>		<b>57 700 000</b>	<b>10,25</b>
5c Renewable energy 600 participants in training	01 knowledge transfer and training	300 000	0,05
5D Reducing greenhouse gas and ammonia emissions from agriculture 10.5 % of agricultural land under management contracts aiming to reduce greenhouse gas emissions and/or ammonia emissions	10 Climate and environmental climate	28 000 000	4,97
5e Carbon storage and sequestration 4.12 % of agricultural and forest land under management contracts contributing to carbon sequestration and conservation.	08 Forest	1 400 000	0,25
	10 AEC	28 000 000	4,97
<b>Priority 6:Social inclusion, poverty reduction and economic development in rural areas</b>		<b>42 514 165,35</b>	<b>7,55</b>
6b Fostering local development in rural areas 17.49 % of rural population benefiting from local development strategies 0.14 % of the rural population benefiting from new or improved services/infrastructures 50 jobs created in supported projects (LEADER)	07 basic services	1 800 000	0,32
	19 LEADER and CLLD	26 135 061,35	4,64
6c Accessibility, use and quality of information and communication technologies (ICT) in rural areas 2.43 % of the rural population benefiting from new or improved services/infrastructures (ICT)	07 basic services	14 579 104	2,59
<b>Technical assistance</b>		<b>1 200 000</b>	<b>0,21</b>
<b>EUR Total public</b>		<b>562 840 834,15</b>	<b>100</b>

<sup>2</sup>The expenditure foreseen under Priority 4 is foreseen for the priority as a whole and is not divided by individual aspects.