



Factsheet on 2014-2022 Rural Development Programme for Basilicata

08/2023

The Rural Development Programme (RDP) for the Region of Basilicata was formally adopted by the European Commission on 20th November 2015, outlining Basilicata's priorities for using the nearly € 889 million of public money that is available for the 9- year period 2014-2022 (€ 552 million from the EU budget, € 332 million of national cofunding and € 5 million of additional national resources). The most recent modification mainly concerned the financial reallocation among measures. The amendment was justified by the need to adjust the financial allocations in view of the closure of the programming period: just over two years before the deadline for making payments under the programme (31/12/2025), some sub-measures have a financial envelope that exceeds the needs, also thanks to savings in expenditure; at the same time, other sub-measures would require a higher allocation. In particular a significant reduction of the allocation for SM 7.3 (Broadband) has been made.

The RDP for Basilicata focuses mainly on three areas. As part of its efforts to preserve and enhance ecosystem and resources efficiency and climate around 591 000 hectares will come under management contracts to improve biodiversity, water management and soil quality. In order to improve the competitiveness of farmers, the region will support 457 investment projects to restructure and modernise farms and over 925 young farmers will be granted business start-up aid. In addition to this 10% of the rural population will benefit from local strategies to improve living conditions in rural areas and around 2.5 % of the rural population will have better access to ICT infrastructure. In addition, the region will support the beneficiaries most affected by the consequences of the COVID-19 health crisis, with a dedicated measure.

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 new RD Regulation for the period 2014-2020 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. The Partnership Agreement of Italy was approved on 29 October 2014.

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

¹ The UK left the European Union on 31 January 2020; in accordance with the Withdrawal Agreement support under Rural Development continues to apply in the UK during the 2014-2020 programming period.

and 21 regional RDPs. In addition, the National Rural Network Programme provides the funding for the networking of rural development actors in Italy.

Basilicata is categorised as a less developed region. It covers an area of 10 073 km²; the whole region is rural. 576 194 inhabitants live in the region, with an average population density of 54.7 inhab/Km².

Of the total area, agricultural land covers 50% and forest land 35%. The utilised agricultural area (UAA) is around 519 000 ha. 60% of farmland is used for arable crops. The region's 51 760 farms produce cereals (35%) as well as fruit and vegetable, olive-oil and wine. Organic farming is still relatively unimportant, covering 44 390 ha (2.3% of the farms). Animal husbandry is quite extensive in mountains. Dairy cattle, sheep and goat are farmed for meat and dairy in mountains areas.

Basilicata has an average employment rate of 46.9% (55% national average); unemployment rate of 14.5% (year 2013) and the youth unemployment rate is 49.3%. Agriculture contributes to the 8.8% of the added value produced in the region.

Natura 2000 covers 23.7% (236 872 ha) of the regional territory. Areas classified as less-favoured mountains areas cover 45% of the UAA.

The chief environmental challenges relate to soil erosion, water quality and biodiversity protection.

2. HOW THE BASILICATA'S RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, Basilicata's RDP will fund action under all of six Rural Development priorities – with a particular emphasis on competitiveness (Priorities 2), environmental land management (Priority 4) and social inclusion (Priority 6). The focus of each priority is explained briefly below.

Knowledge transfer and innovation in agriculture, forestry and rural areas

Knowledge transfer and innovation actions will be put in place to increase the economic and environmental performance of farms, as well as for the development of rural areas and around 4.8 % of funds will be allocated to actions related to this priority.

Almost 1 989 places will be made available in training courses and the programme will give farmers access to advisory services on topics related to the RDP priorities. The region is planning to launch 145 co-operation projects.

Competitiveness of agri sector

Support will be targeted to process and product innovation in farms and agro-industrial holdings. The objective is to improve output and product quality whilst reducing production costs. Equally important is the improvement of environmental sustainability, energy efficiency as well as rural infrastructure. The RDP will support the diversification of farms in order to create new income opportunities, for instance through the valorisation of agricultural by-products and waste.

To reach these objectives, the region will support 457 investment projects to restructure or modernise farms and over 925 young farmers will be granted business start-up aid

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

Under this priority, the region wishes to grant support to integrated projects in the supply chain. The objective is to increase and stabilise the profitability of primary production and give priority to the modernisation of production processes and support for quality production. The region wants to encourage “from farm to fork” approaches and various forms of association in agriculture in order to reduce costs and improve the marketing of products. To

reach these objectives, around 798 investment projects will receive support.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Under this priority, Basilicata will safeguard water quality through the promotion of agricultural production techniques that reduce pressure on the environment and combat erosion in hills and mountain area. The programme also proposes actions for the sustainable management of ecosystems and habitats, for preventing agricultural land abandonment and preserving plant and animal agricultural biodiversity.

Around 38% of the agricultural land will be under management contracts supporting biodiversity, 36% under management contracts supporting water management and 40% of the agricultural land will be under management contracts supporting soil management. Over 43 459 hectares will receive support to convert to organic farming and another 118 721 ha to maintain organic production.

Resource efficiency and climate

Under this priority Basilicata aims to support the shift towards a low carbon and climate-resilient economy in agriculture and it will be supported mainly indirectly through cooperation projects, mainly for the sustainable provision of biomass for use in energy production. The programme will support the development of bioenergy and the use of agricultural and agro-industrial by-products, reducing emissions from agro-industrial activities and increasing carbon sequestration through forestry.

Investments in agricultural holdings with environmental purposes will also contribute indirectly to climate change mitigation and adaptation.

Social inclusion and local development in rural areas

The main actions refer to fostering local development in rural areas and broadband internet deployment (including the development of ICT-services). More than 242 beneficiaries will receive support for investments in non-agricultural activities in rural areas, while basic services will be improved for 57 170 inhabitants of the rural population.

Local Development Strategies (LEADER), which covers 76 % of the rural population (438 880 inhabitants), will create 62 additional jobs and around 14 490 inhabitants (2.5 % of the rural population) will have better access to ICT infrastructure.

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

- € 230.3 million allocated to M4 (investments in physical assets)
- € 165 million allocated to M11 (Organic farming)
- € 96.8 million allocated to M10 (Agri-environment climate)

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

| Target | Measure | € Total public | % |
|---|---|--------------------|--------------|
| Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas² | | | |
| 1A: Fostering innovation, cooperation, knowledge base 4.08% of RDP expenditure | 01 knowledge | | |
| | 02 advisory | | |
| | 16 cooperation | | |
| 1B: Strengthening links (with research etc.) 145 cooperation projects | 16 cooperation | | |
| 1C: Training 1 989 participants trained | 01 knowledge | | |
| Priority 2: Farm viability, competitiveness and sustainable forest management | | 234 138 403 | 26.31 |
| 2A: Economic performance, restructuring & modernisation 0.88% of holdings with RDP support | 01 knowledge | 1 617 342 | 0.18 |
| | 02 advisory | 700 000 | 0.08 |
| | 04 investments | 125 042 284 | 14.05 |
| | 06 farm / business development | 16 223 473 | 1.82 |
| | 16 cooperation | 4 233 013 | 0.48 |
| | 21 COVID-19 crisis | 7 427 537 | 0.83 |
| | 22 Impact of Russia's invasion on Ukraine | 5 500 000 | 0,62 |
| 2B: Generational renewal 1.79% of holdings with RDP supported business development plan/investments for young farmers | | | |
| | 04 investments | 8 328 153 | 0.94 |
| | 06 farm / business development | 65 066 598 | 7.31 |
| Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management | | 123 642 583 | 13.90 |
| 3A: Improving competitiveness of primary producers 1.35% of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations 58 food industries receiving support | 01 knowledge | 189 729 | 0.02 |
| | 02 advisory | 854 572 | 0.10 |
| | 03 quality schemes | 4 758 719 | 0.53 |
| | 04 investments | 92 340 295 | 10.38 |
| | 09 producers groups | 1 200 000 | 0.13 |
| | 16 cooperation | 12 878 433 | 1.45 |
| 3B: Risk management | | | |

² No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas.

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|---|-------------------------------------|--------------------|--------------|
| 0.35% of farms participating in risk management scheme | 05 restoring agricultural potential | 11 420 831 | 1.28 |
| Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry³ | | 360 547 857 | 40.52 |
| 4A Biodiversity 33.02% of forest/other wooded area under contracts 37.92% of agricultural land under contracts | 01 knowledge | 4 603 106 | 0.52 |
| | 04 investments | 2 797 110 | 0.31 |
| 4B Water management 36.21% of agricultural land under contracts | 08 forests | 39 575 013 | 4.45 |
| | 10 AEC | 95 119 466 | 10.69 |
| | 11 organic farming | 176 346 226 | 19.82 |
| 4C Soil erosion and management 40.13% of agricultural land under contracts 32.67% of forestry land under contracts | 12 N2000 and WFD | | |
| | 13 ANC | 39 269 305 | 4.41 |
| | 16 cooperation | 2 837 629 | 0.32 |
| Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors | | 45 555 124 | 5.12 |
| 5A Water efficiency 4.48 % agricultural land under contract | 04 investments | 14 823 757 | 1.67 |
| | 16 cooperation | 336 429 | 0.04 |
| 5C Renewable energy €4.2 million investments | 07 basic services | 6 644 064 | 0.75 |
| 5E Carbon conservation and sequestration 0.21% of agricultural and forest land under management contracts contributing to carbon sequestration or conservation | 8 forests | 23 750 873 | 2.67 |
| | 12 N2000 and WDF | 75 000 | 0.01 |
| Priority 6: Social inclusion, poverty reduction and economic development in rural areas | | 98 652 105 | 11.09 |
| 6A Diversification, creation of small enterprises and jobs 62 jobs created in supported projects | 06 Farm and business development | 10 996 472 | 1,23 |
| | 07 Basic services | 22 218 480 | 2,50 |
| | 16 Cooperation | 1 142 083 | 0,13 |

³ Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas

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| 6B LEADER | | | |
| 76.17% rural population under local development strategies | | | |
| 9.92% rural population with improved services/infrastructure | 07 basic services | 13 753 451 | 1.55 |
| 35 jobs created (via LEADER) | | | |
| | 19 LEADER and CLLD | 47 447 034 | 5.33 |
| 6C Access to and quality of ICT | | | |
| 2.51% of rural population benefiting from new or improved services/infrastructures (ICT) | 07 basic services | 3 124 584 | 0.35 |
| Technical Assistance | | 27 273 089 | 3.07 |
| Total public expenditure € | | 889 809 164 | 100 |