



## Factsheet on the 2014-2022 Rural Development Programme for Region Piemonte

08/2023

The Rural Development Programme (RDP) for Piemonte was formally adopted by the European Commission on 28 October 2015, outlining Piemonte's priorities for using the € 1,481 billion of public money that is available for the 9-year period 2014-2022 (€ 656 million from the EU budget, € 800 million of national co-funding and € 23 million of additional national and regional resources). The 10<sup>th</sup> modification extended the programming period for 2-years, to 31 December 2022 and included two annual EAFRD allocations as well as the EU financed recovery instrument (EURI).

Piemonte's RDP is putting particular emphasis on actions related to restoring, preserving and enhancing agriculture and forestry ecosystems (more than 1/3 of financial resources) as well as on improving the competitiveness of agriculture (almost 1/4 of financial resources). Over 2 100 farmers will receive support to restructure or modernise their farms and around 1 800 young farmers will be granted business start-up aid. About 22% of agricultural land is expected to come under management contracts supporting the environment (biodiversity, water management and soil). 23 000 hectares of land and 285 000 livestock units will be interested by actions to reduce emissions of greenhouse gases (GHG) and ammonia, while 45% of the rural population will be concerned by participatory local development strategies. In addition, the region will support the beneficiaries most affected by the consequences of the COVID-19 health crisis.

Furthermore, Piemonte activated a multi-regional guarantee fund in order to foster the investments and the access to credit for the farmers.

Support for [Rural Development](#) is the 2<sup>nd</sup> 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 States<sup>1</sup>. The [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.

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

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<sup>1</sup> The UK left the 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.

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

Piemonte is a north-west region classified as "more developed". It covers an area of 25 403 km<sup>2</sup> and has a population of 4.5 million inhabitants. The incidence of less developed rural areas is 55.4% in terms of area and 32.2% in terms of population; for the intermediate areas the incidence is of 17.8% in terms of area and 16.2% in terms of population, while the incidence of urban land is 26.9% in terms of area and 51.7% in terms of the population. Employment rate is 63.8% overall, 70.7% for men and 56.9% for women. The unemployment rate is 9.2% overall but rising to 31.9% for young people.

The Region consists of 44% agricultural land, 36% woodlands or forests, 16% grasslands and 4% is artificial land cover.

There are 67 150 farms in the Region, of which 38% with a standard output (SO) of less than € 8 000 and 37% with a SO of at least € 25 000. The average size of farms is 15 ha of utilised agricultural area (UAA) and the average SO is € 57 659. While these values are higher than the national average (8 ha of UAA and € 30 500), they remain substantially below the averages of most EU countries. A major challenge in terms of competitiveness of agriculture faced by Piemonte is represented by the pursuit of a higher degree of efficiency either through increasing farm size or through aggregation processes.

The UAA is 1 010 780 hectares, of which 54% are arable crops, 37% permanent grassland and 9% permanent crops (mainly vines and fruit). Areas with natural constraints (in Piemonte exclusively mountainous areas) amount to 53% of the region's surface; the UAA in mountain areas is 30% of the total UAA of Piemonte.

The animal husbandry sector counts 1 030 400 livestock units (LU) and is concentrated mainly in the intensive farms of the plain. Nitrate pollution and ammonia emissions impact significantly on natural resources and air quality in the respective areas. Waters are also under stress by the use of pesticides and the extraction of water for agricultural use. One fifth of agricultural areas is also concerned by soil loss due to water erosion. Tackling this set of critical issues is the main environmental challenge for Piemonte.

Another challenge is reversing the trend of marginalisation of mountain areas, including *digital divide*.

## **2. HOW PIEMONTE'S RDP WILL ADDRESS THESE CHALLENGES**

In addressing these challenges, Piemonte'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 important needs identified for Piemonte: promoting networks and partnerships between companies and actors in the system of knowledge, adaptation and strengthening networks of advice and information to businesses, qualify professionals. About 6% of the RDP budget is allocated to this priority; it is expected to fund 136 cooperation projects (including projects under the European Innovation Partnership) and about 27 140 places for farmers and foresters in training activities.

### Competitiveness of agri 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 one are investments in physical assets (concerning over 2 150 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 "Cooperation" measure will fund further 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 projects.

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

Under this priority, Piemonte 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 215 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 Piemonte to support investments for the prevention of damage caused by vine's *flavescence dorée* and by the african swine fever (ASF) that spread in the region in the beginning of 2022, and other serious biotic adversities. Furthermore, Piemonte's RDP invests in the animal welfare through specific measures and projects.

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

Under this priority, facing a major challenge to Piemonte, 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, more than 200 000 hectares of agricultural land will be under agro-environment-climate contracts.

Piemonte's RDP will also support environmental investments in agriculture and forestry as well as actions supporting biodiversity in Natura 2000 areas and other areas of high natural value. Other important actions concern the support of organic farming and the payments to farmers in mountain areas to avoid the risk of land abandonment hanging over the mountains of Piemonte.

#### Resource efficiency and climate

Under this priority, the RDP includes the following actions: investments in animal husbandry to reduce emissions of GHG and ammonia; creation and expansion of reservoirs to improve the management of water resources for irrigation; afforestation of agricultural and non-agricultural land; agro-environment-climate contracts regarding the conversion of arable land into permanent grassland, crop diversification to overcome the maize monoculture and distribution of manure so as to reduce emissions; support to groups operating in the European Innovation Partnership, to supply chain cooperation actions for a sustainable supply of forest biomass used for energy production and for industrial processes.

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 Piemonte under this priority refer to create basic services in rural areas (first of all, concerning ultra-broadband infrastructure € 45.6 million will be allocated in order to cover 10% of the rural population) and support for local development strategies (LEADER) which includes the involvement of almost half of rural areas population and the creation of about 900 additional jobs.

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

- € 406 million allocated to measure 10 (Agri-environment-climate)
- € 342 million allocated to measure 4 (Investments in physical assets)
- € 128 million allocated to measure 13 (Areas with natural constraints)
- € 97 million allocated to measure 19 (LEADER and CLLD).

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

Target	Measure	€ total public funding	%
<b>Priority 1: Knowledge transfer and innovation in agriculture, forestry and rural areas<sup>2</sup></b>			
1A: Fostering innovation, cooperation and knowledge base in rural areas 5.73% of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: strengthening links between agriculture, food production and forestry, on the one hand, and research and innovation, on the other hand, in order to improve the management and environmental performance 136 cooperation projects	16 cooperation		
1C: Training 27 140 participants in training actions	01 knowledge		
<b>Priority 2: Competitiveness and farm profitability, sustainable management of forests</b>		<b>326 001 940</b>	<b>22.01%</b>
2A: Economic performance, restructuring & modernisation 3.35% of holdings with RDP support	01 knowledge	6 699 297	0.45%
	02 advisory	1 708 240	0.12%
	04 investments	140 703 876	9.50%
	06 business development	5 292 788	0.36%
	08 forests	11 000 000	0.74%
	16 cooperation	2 250 027	0.15%
	21 COVID-19 crisis	9 703 512	0.66%
2B: Generational renewal 2.71% of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	2 219 538	0.15%
	04 investments	72 067 907	4.86%
	06 business development	74 356 755	5.02%

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

<b>Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management</b>		<b>199 899 654</b>	<b>13.49%</b>
3A: Improving competitiveness of primary producers 2.98% of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations	01 knowledge	1 512 726	0.10%
	02 advisory	654 320	0.04%
	03 quality schemes	44 300 000	2.99%
	04 investments	97 087 640	6.55%
	14 animal welfare	260 000	0.02%
	16 cooperation	10 500 043	0.71%
3B: Farm risk prevention and management 1.36% of farms participating in schemes risk management	01 knowledge	1 441 609	0.10%
	05 restoring agricultural potential	34 638 986	2.34%
	08 forests	9 357 136	0.63%
	16 cooperation	147 192	0.01%
<b>Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry<sup>3</sup></b>		<b>595 039 380</b>	<b>40.17%</b>
4A Biodiversity 1.96% of agriculture land under contracts supporting biodiversity and/or landscapes 5.01% forests / other wooded areas subject to contracts  4B Management of water resources 12.86% of agricultural land subject to contracts  4C Erosion and soil management 7.67% of agricultural land subject to contracts	01 knowledge	9 021 098	0.61%
	02 advisory	3 207 228	0.22%
	04 investments	5 623 960	0.38%
	07 basic services	2 133 677	0.14%
	08 forests	10 588 062	0.71%
	10 AEC	345 824 718	23.34%
	11 organic farming	74 300 000	5.02%
	12 NATURA 2000	10 328 000	0.70%
	13 LFAs	128 944 026	8.70%
	15 forestry-environment-climate	639 000	0.04%
	16 cooperation	4 429 611	0.30%

<sup>3</sup> Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas.

<b>Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors</b>		<b>118 855 632</b>	<b>8.02%</b>
5A Water efficiency	01 knowledge	918 802	0.06%
	02 advisory	924 580	0.06%
	16 cooperation	595 322	0.04%
5C Renewable energy 5 000 t of mobilised biomass	01 knowledge	1 646 540	0.11%
	16 cooperation	14 149 723	0.96%
5D Reducing GHG and NH3 27% of LU concerned by investments in live-stock management in view to reducing GHG emissions and / or ammonia 2.28% of land under management contracts aimed at reducing GHG and/or ammonia emissions.	01 knowledge	640 419	0.04%
	02 advisory	5 000	0.00%
	04 investments	28 570 000	1.93%
	10 AEC	35 850 000	2.42%
	16 cooperation	15 000	0.00%
	5E Carbon conservation and sequestration 0.63% of agricultural and forest land under management contracts contributing to carbon sequestration or conservation	01 knowledge	651 017
02 advisory		346 252	0.02%
08 forests		12 000 000	0.81%
10 AEC		25 300 000	1.71%
<b>Priority 6: Social inclusion, poverty reduction and economic development in rural areas</b>		<b>194 202 829</b>	<b>13.11%</b>
6B LEADER 44.48% of rural population under local development strategies 6.95% of rural population with improved services/infrastructure 900 jobs created (via Leader)	01 knowledge	3 613 196	0.24%
	07 basic services	33 893 600	2.29%
	16 cooperation	12 842 065	0.87%
	19 LEADER	97 579 388	6.59%
6C Access to and quality of ICT 9.27% of rural population benefiting from new or improved services/infrastructure (ICT)	07 basic services	45 581 000	3.08%
	16 cooperation	693 580	0.05%
<b>Technical assistance (measure 20)</b>		<b>46 800 000</b>	<b>3.16%</b>
Measures suppressed (measure 113)		600 649	0.04%
<b>Total public expenditure (€)</b>		<b>1 481 400 086</b>	<b>100%</b>