



Factsheet on 2014-2020 Rural Development Programme for Lombardia

The Rural Development Programme (RDP) for Lombardia was formally adopted by the European Commission on 15 July 2015, outlining Lombardia's priorities for using the € 1.2 billion of public money that is available for the 7-year period 2014-2020 (€ 499 million from the EU budget and € 659 million of national co-funding).

Lombardia's RDP puts particular emphasis on improving the competitiveness of agriculture and primary producers, as well as on restoring, preserving and enhancing ecosystems. Some 3 200 beneficiaries will receive investment support to restructure and modernise their farms or in the processing and marketing of agricultural products. Apart from improving competitiveness, these investments will also contribute to enhancing the environmental performance and mitigating climate change. Investments will also be boosted thanks to the use of a specific financial instrument, a loan-fund supporting projects for the processing/marketing of agricultural products. More than 100 000 hectares of agricultural land will be under agri-environment-climate contracts supporting biodiversity, soil and water management, while a further 110 000 hectares of farmland in mountain areas will be supported. The region will reduce the administrative burden on beneficiaries by using a simplified system of standard costs for declaring expenses under certain investment measures.

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 States. 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.

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

Lombardia is the most populous Italian region. Situated in the north of the country, it covers a total area of 23 863 km², of which 23% is rural, 43% intermediate and 34% urban. Agriculture accounts for 41% of the total area and forests 26%. 9.8 million people live in Lombardy (one sixth of Italy's population) with a density more than twice the national average. The employment rate is 65% - 78% for men and 60% for women –

compared with the national average of 57%. The unemployment rate is 7.5% (27% for the population aged 15-24 years old). Agriculture employs 1.5% of total employed people (national average 3.8%), relative to services 66% and industry 32%. Over 21% of Italian GDP is produced in the Region, and Lombardia's GDP per-capita (33 066 €) is 29% higher than the national average (25 729 €).

Lombardia is characterised by a specialised intensive agriculture and animal husbandry. More than 53 000 farms are active in the region (3.4% of national total), with a total Utilised Agricultural Area (UAA) of 986 825 ha (7.7% of national total) and 7.4 billion € of standard output (15% of national total). The average farm size is around 18 hectares compared to the national average of 8 hectares, while the average farm standard output is 136 000 € (national average 30 500 €). These values are considerably higher in plain areas (characterised by intensive agriculture and breeding) than in hill and mountain areas. Only 2% of the UAA is under organic production (9% in Italy). 58% of the UAA is irrigated (19% for Italy). The UAA is mainly used for arable crops, especially in the plains, and for permanent feed crops in the mountains. Cereals occupy a relevant part of the arable land, especially maize, rice (40% of national production) and wheat. The fruits and vegetables sector is also relevant and expanding. Animal husbandry (mainly beef and pig) accounts for 63% of the agricultural production value in the region and for 26% of the total Italian animal husbandry production value (33% for milk products). The regional food sector accounts for 11% of the total national holdings and 18% of the total national employees.

Intensive agriculture and animal husbandry have a significant impact on the regional natural resources and air quality. The Farmland Bird Index has decreased by 54% in the last 12 years. HNV farming is also below the national average. 18% of water bodies have a bad quality status also due to nitrate pollution from agriculture. The agriculture and animal husbandry sectors are responsible for 98% of the ammonia emissions. A fourth of the regional territory is concerned by a high level of hydrogeological risk.

2. HOW LOMBARDIA'S RDP WILL ADDRESS THESE CHALLENGES

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

Knowledge transfer and innovation in agriculture, forestry and rural areas

€ 40.8 million will be used in advisory services to improve farmers' management skills from a technical, economic and environmental point of view, allowing them to introduce innovation in their activities. 4 730 farmers will also benefit from training and information activities with the same objective. 75 cooperation projects, 25 of which under the European Innovation Partnership, will strengthen the link between research and the agriculture, food and forestry sectors.

Competitiveness of agri sector and sustainable forestry

2 100 farmers will receive support for investments in farm restructuring/modernisation, with over € 420 million (public + private) invested in physical assets. Such investments will also contribute to the environment and climate change mitigation. In addition, the RDP will support the start-up of 1 270 young farmers.

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

€ 450 million (public + private) will be invested in physical assets for 1 115 beneficiaries, with the aim of strengthening the food chain organisation, including processing and marketing of agricultural products. These investments will also contribute indirectly to improve the environmental performance and mitigate climate change. The region will also establish a loan-fund to further support investments in processing/marketing of

agricultural products. Furthermore, the RDP will support the entry of 370 farmers in quality systems.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

113 500 ha of agricultural land will be under agri-environment-climate contracts supporting the conservation of biodiversity, soil and water quality. In particular, 10 000 ha of farmland will receive support to either convert or maintain organic farming. In addition, farmers will be supported to maintain agricultural activities on 109 850 ha in mountain areas. € 30 million will also be invested in the forestry sector under this priority namely for the purpose of soil conservation.

Resource efficiency and climate

The RDP will pursue carbon conservation and sequestration by supporting specific agri-environment-climate practices on 62 000 ha of agricultural land as well as through the afforestation of 11 000 ha. 6 000 ha of agricultural land will also be under agri-environment-climate contracts aimed at reduction emissions of greenhouse gas and ammonia deriving from agriculture. The region also expects investments of over € 45 million of public and private funds in renewable energy production.

Social inclusion and local development in rural areas

Social and economic development in rural areas will be promoted through support to the preparation and implementation of Local Development Strategies by 10 LEADER Local Action Groups, which will cover 1 million people. 1.2 million people will also benefit from investments in new or improved broadband infrastructures.

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

- € 409 million allocated to measure 4 (Investments in physical assets)
- € 240.3 million allocated to measure 10 (Agro-environment-climate)
- € 103.2 million allocated to measure 8 (Forestry)
- € 78 million allocated to measure 13 (Areas facing natural constraints)

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

Target	Measure	€ Total public	%
Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas¹			
1A: Fostering innovation, cooperation, knowledge base 5.86 % of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) 75 cooperation projects	16 cooperation		
1C: Training 4 730 participants trained	01 knowledge		
Priority 2: Farm viability, competitiveness and sustainable forest management		339 150 000	29.30%
2A: Economic performance, restructuring & modernisation 3.87 % of holdings with RDP support	01 knowledge	6 850 000	0.59%
	02 advisory	38 500 000	3.33%
	04 investments	220 000 000	19.00%
	06 farm / business development	19 500 000	1.68%
	08 forest	11 000 000	0.95%
	16 cooperation	9 750 000	0.84%
2B: Generational renewal 2.34 % of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	200 000	0.02%
	02 advisory	350 000	0.03%
	06 farm / business development	33 000 000	2.85%
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		187 450 000	16.19%
3A: Improving competitiveness of primary producers 0.68 % of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations	01 knowledge	1 500 000	0.13%
	02 advisory	1 200 000	0.10%
	03 quality schemes	5 750 000	0.50%
	04 investments	175 000 000	15.12%
	16 cooperation	4 000 000	0.35%

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

Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry²		363 200 000	31.37%
4A Biodiversity 5.36% of agricultural land under contracts	01 knowledge	600 000	0.05%
	02 advisory	400 000	0.03%
	04 investments	14 000 000	1.21%
	08 forests	30 000 000	2.59%
4B Water management 3.04% of agricultural land under contracts	10 AEC	196 900 000	17.01%
	11 organic farming	38 000 000	3.28%
	12 NAT-WFD	3 300 000	0.29%
4C Soil erosion and management 3.24% of agricultural land under contracts	13 ANC	78 000 000	6.74%
	16 cooperation	2 000 000	0.17%
Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors		124 100 000	10.72%
5C Renewable energy 45.7 M € total investment in renewable energy production	01 knowledge	200 000	0.02%
	02 advisory	150 000	0.01%
	06 farm / business development	16 000 000	1.38%
	16 cooperation	500 000	0.04%
5D Reducing GHG and NH3 0.61 % of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions	01 knowledge	200 000	0.02%
	02 advisory	100 000	0.01%
	10 AEC	5 400 000	0.47%
	16 cooperation	500 000	0.04%
5E Carbon conservation and sequestration 3.86 % of agricultural and forest land under management contracts contributing to carbon sequestration or conservation	01 knowledge	200 000	0.02%
	02 advisory	100 000	0.01%
	08 forests	62 250 000	5.38%
	10 AEC	38 000 000	3.28%
	16 cooperation	500 000	0.04%
Priority 6: Social inclusion, poverty reduction and economic development in rural areas		118 500 000	10.24%
6A Diversification, creation of small enterprises and jobs 10 jobs created in supported projects	07 basic services	4 000 000	0.35%
6B Fostering local development 16.05 % rural population under local development strategies; 16.05 % rural population with improved services/infrastructure; 140 jobs created (via LEADER)	19 LEADER and CLLD	66 000 000	5.70%
6C Access to and quality of ICT 19.26 % of rural population benefiting from new or improved services/infrastructures (ICT)	07 basic services	48 500 000	4.19%
Technical Assistance		25 246 104	2.18%
Total public expenditure €		1 157 646 104	100%

² Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas.