



Factsheet on 2014-2020 Rural Development Programme for Marche

The Rural Development Programme (RDP) for Marche was formally adopted by the European Commission on 28 July 2015, outlining Marche's priorities for using the € 538 million of public money that is available for the 7-year period 2014-2020 (€ 232 million from the EU budget and € 306 million of national co-funding).

Marche's RDP is putting particular emphasis on actions related to restoring, preserving and enhancing ecosystems, improving the competitiveness of the farm and forestry sectors and promoting social inclusion and economic development in rural areas. 13.9% of the agricultural land is expected to come under management contracts supporting better water management, nearly 14% of the agricultural land will be under contracts to improve soil management and almost 15% of agricultural land and 1% of forestry land will come under management contracts supporting biodiversity. Organic farming is also important as almost 4 000 hectares will receive support to convert to organic farming and another 38 000 ha to maintain organic production. To improve the competitiveness of farmers, over 650 farms will receive support to restructure or modernise their farms and 300 young farmers will be granted business start-up aid. In this regard, particular emphasis is put on innovation when selecting operations and almost 8% of RDP public expenditure is earmarked by actions that foster innovation, cooperation and the development of the knowledge base. Marche will also implement the European Innovation Partnership to help deliver innovative solutions to the farm sector. Finally, Marche's RDP will contribute to social inclusion and economic development in rural areas with over 44% of the rural population covered by local development strategies, and new or improved broadband infrastructure to 17% of the rural population in rural area.

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 Marche are 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.

Marche is a region of central Italy, classified as a more developed region. It covers a total area of 9 401 km² of which agricultural land covers 50.2% and forestry 34.7%. In the region 95% of the total area is classified as rural, almost half of which is currently considered Less Favoured Areas. Marche has about 1.5 million inhabitants of which 84.1% live the rural area. The unemployment rate is 11.1% (2013) and there is a high rate of elderly in the population (23%).

In Marche the farm sector is facing structural changes. The average size of the nearly 45 000 farms is 10.5 hectares and 30% of farms are below 2 hectares. The regional Utilised Agricultural Area is around 471 000 hectares. Farmers mainly produce cereals, fruits and vegetables, wine, and animal products. The food industry, even if less specialised than in other Italian regions, shows an interesting export growth rate. Almost 40% of the energy produced by the region is from renewable sources, but the region is lagging behind in terms of energy production from biomass.

Nature is very important in Marche – there are, for instance, 326 000 hectares of forestry. In addition, there are 104 Natura2000 sites, whose plans will be completed during 2015. The main environmental challenges to be tackled are landslides and soil erosion.

2. HOW MARCHE'S RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, Marche's RDP will fund operations under all six Rural Development priorities, with a particular emphasis on Restoring, preserving and enhancing ecosystems related to agriculture and forestry as well as improving the competitiveness of the farm and forestry sectors and promoting social inclusion and economic development in rural areas. The focus of each priority is explained briefly below.

Knowledge transfer and innovation in agriculture, forestry and rural areas

The Region is attaching huge importance to this priority (almost 8% of the resources have been allocated to this priority). It 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. Almost 4 200 places will be made available in training courses.

An important element is innovation: 106 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

Given the ageing farmer population and the small size of farms, the RDP will support the start-up of 300 young farmers and investments and modernisation in more than 650 farms, with a specific emphasis on innovation as a means to increase competitiveness. The sustainability of agricultural production is taken into account also by promoting a rational use of water resources and an efficient use of renewable energy resources through investments

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

Under this priority, Marche will support the promotion of quality products and the participation of farmers in quality schemes: the RDP is expected to support 306 farms to participate in quality schemes. The RDP will also support the development and strengthening of supply chains, including short supply chains and local markets, in order to enlarge the market for regional products and ensure a higher added value to the farmer's production resulting in a higher income for the farmer. Cooperation and supply chain projects will also be financed for this purpose.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Under this priority, Marche will focus on environment-friendly farm investments and management procedures, with a particular emphasis on quality of water: 13.9% of agricultural land will be under contracts to improve water management. The problem of water erosion will be tackled by placing almost 14% of the agricultural land under management contracts combating soil erosion. Moreover almost 15% of agricultural land and 1% of forestry land will be under management contracts supporting biodiversity.

Almost 33% of the allocated EAFRD amount will be used for area-based payments to farmers for using environment/climate-friendly land management practices, including organic farming, support to areas facing natural constraints and support to areas under Natura2000 management. Over 42 000 hectares of farmland will receive support to either convert or maintain organic farming.

Resource efficiency and climate

Under this priority, RDP Marche 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 5.6% of irrigated land switching to more efficient irrigation system. The region also expects investments of around € 6.8 million of public and private funds in renewable energy production.

Social inclusion and local development in rural areas

RDP Marche pays particular attention to social inclusion and economic development in rural areas (17.6% of the resources have been allocated to this priority), which are promoted by supporting farm and business development including also technological and ITC activities and services, and to the provision of basic services and village renewal in rural areas, including welfare and social care services.

Moreover, Local Development Strategies will be implemented through 6 LEADER Local Action Groups and will cover more than 44% of the rural population.

Thanks to the operations programmed under this priority, 98 additional jobs will be created, and 17% of the rural population in rural areas will benefit from new or improved broadband services/infrastructures.

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

- € 122 million allocated to measure 4 (Investments in physical assets)
- € 80 million allocated to measure 11 (Organic)
- € 44.6 million allocated to measure 6 (Farm / business development)
- € 43 million allocated to measure 13 (Payments to areas facing natural or other constraints)

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

Target	Measure	€ Total public	%
Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas¹			
1A: Fostering innovation, cooperation, knowledge base 7.84% of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) 106 cooperation projects	16 cooperation		
1C: Training 4 200 participants trained	01 knowledge		
Priority 2: Farm viability, competitiveness and sustainable forest management		162 450 000	30.20
2A: Economic performance, restructuring & modernisation 1.46% of holdings with RDP support	01 knowledge	8 150 000	1.51
	02 advisory	5 000 000	0.93
	04 investments	96 300 000	17.90
	06 farm / business development	21 000 000	3.90
	16 cooperation	14 000 000	2.60
2B: Generational renewal 0.67% of holdings with RDP supported business development plan/investments for young farmers	06 farm / business development	18 000 000	3.35
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		48 600 000	9.03
3A: Improving competitiveness of primary producers 3.84% of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations	03 quality schemes	11 000 000	2.04
	04 investments	13 600 000	2.53
	09 producer groups / organisations	2 000 000	0.37
	14 animal welfare	5 000 000	0.93
	16 cooperation	4 000 000	0.74
3B: Farm risk prevention and management 0.11% of farms participating in risk management schemes	05 restoring agric. potential	13 000 000	2.42

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		175 901 503	32.70
4A Biodiversity 14.52% of agricultural land under contracts 0.99% of forest/other wooded area under contracts	01 knowledge	2 000 000	0.37
	04 investments	6 000 000	1.12
4B Water management 13.86% of agricultural land under contracts 0.00% of forestry land under contracts	07 basic services	1 700 000	0.32
	08 forest	5 000 000	0.93
	10 AEC	27 800 000	5.17
4C Soil erosion and management 13.86% of agricultural land under contracts 0.15 % of forestry land under contracts	11 organic farming	80 000 000	14.87
	12 NAT 2000 and WFD	4 500 000	0.84
	13 ANC	43 000 000	7.99
	15 Forest - env	1 000 000	0.19
	16 cooperation	4 901 503	0.91
Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors		41 400 000	7.70
5A Water efficiency 5.55% percentage of irrigated land switching to more efficient irrigation system	04 investments	3 000 000	0.56
5B Energy efficiency Total investment for energy efficiency € 6 800 000	04 investments	3 400 000	0.63
5C Renewable energy Total investment in renewable energy production € 15 000 000	08 Forest	6 000 000	1.12
	16 cooperation	1 000 000	0.19
5E Carbon conservation / sequestration 2.70% of agricultural and forest land under management contracts contributing to carbon sequestration and conservation	08 Forest	26 000 000	4.83
	16 Cooperation	2 000 000	0.37

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

Priority 6: Social inclusion, poverty reduction and economic development in rural areas		94 610 000	17.59
6A Diversification, SMEs and job creation 28 Jobs created in supported projects	01 Knowledge	450 000	0.08
	M06 Farm / business development	5 600 000	1.04
	M07 Basic services	5 300 000	0.99
	16 Cooperation	700 000	0.13
6B Fostering local development <u>44.35%</u> of rural population covered by local development strategies <u>70 jobs</u> created (via LEADER)	19 LEADER and CLLD	60 560 000	11.26
6C Access to and quality of ICT 16.96% of rural population benefiting from new or improved services/infrastructures (ICT)	07 basic services	22 000 000	4.09
Technical Assistance		15 000 000	2.79
Total public expenditure €		537 961 503	100