



## **Factsheet on 2014-2020 Rural Development Programme for Marche**

The Rural Development Programme (RDP) for Marche was formally adopted by the European Commission on July 28<sup>th</sup> 2015, outlining Marche's priorities for using the € 727 million<sup>1</sup> of public money that is available for the 7-year period 2014-2020 (€ 300 million from the EU budget, € 397 million of national co-funding and € 30 million of additional regional resources).

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 15 000 hectares will receive support to convert to organic farming and another 52 000 ha to maintain organic production. To improve the competitiveness of farmers, over 832 farms will receive support to restructure or modernise their farms and 310 young farmers will be granted business start-up aid. In this regard, particular emphasis is put on innovation when selecting operations and almost 7.6% 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 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.

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<sup>1</sup> This amount includes the solidarity contribution of around € 160 million of public money made available as from 2018.

## **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 km<sup>2</sup> 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 31% of farms are below 2 hectares. The regional Utilised Agricultural Area is around 472 000 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 96 Natura2000 sites, for which the Region approved by 2015 site-specific conservation measures including through the adoption of management plans. The main environmental challenges to be tackled are landslides and soil erosion.

The exceptional events (the earthquakes of 2016 and the exceptional snow storm at the beginning of the 2017) interested a huge part of the regional territory. Marche is the region most affected by the earthquake, with almost the 42% of the regional territory classified as "crater area" and the majority of it classified as rural area (with a agro-zootechnic vocation), characterized by low population density and urbanization level. This territory has to face urgent measures to foster facilities and farms reconstruction and contrast the increased depopulation phenomena.

Therefore, the finance allocation in use to Marche has been increased due to solidarity transfer of funds from other regional RDPs (not affected by the earthquake) and the National RDP.

## **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 agro sector and sustainable forestry

Given the ageing farmer population and the small size of farms, the RDP will support the start-up of 310 young farmers and investments and modernisation in more than 832 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 new investments. The aid intensity rates are increased in the seismic "crater" area to address the increased needs and risk of depopulation.

#### 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 372 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. Particular attention is provided to support animal welfare in the seismic "crater" area.

#### 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 29% 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 67 000 hectares of farmland will receive support to either convert or maintain organic farming, of which the majority is located in the "crater area".

The Marche RDP supports the adoption of such practices not only at the level of the individual farmer: it also finances "area agri-environmental agreements" projects promoted by groups of farmers, municipalities, managing bodies of protected areas. Under these agreements a group of farmers in a given area undertakes jointly to adopt certain technics or perform certain actions aimed at the protection of biodiversity, soil or water.

#### 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 22.21% of irrigated land switching to a more efficient irrigation system. In addition, the RDP supports investments on micro-reservoirs for irrigation purpose, also of collective nature. 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 (15% 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 (LAGs) and will cover more than 44 % of the rural population.

Thanks to the operations programmed under this priority, 113 additional jobs will be created, and 17% of the rural population in rural areas will benefit from new or improved broadband services/infrastructures.

The contribution will be increased for LAGs in the crater of the seismic area.

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

- € 187 million allocated to measure 4 (Investments in physical assets)
- € 108 million allocated to measure 11 (Organic farming)
- € 75.5 million allocated to measure 19 (local development of rural areas)
- € 63 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	%
<b>Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas<sup>2</sup></b>			
1A: Fostering innovation, cooperation, knowledge base 7.57 % 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		
<b>Priority 2: Farm viability, competitiveness and sustainable forest management</b>		<b>230 675 000</b>	<b>31.72</b>
2A: Economic performance, restructuring & modernisation 1.85 % of holdings with RDP support	01 knowledge	9 150 000	1.26
	02 advisory	5 000 000	0.69
	04 investments	144 525 000	19.87
	06 farm / business development	30 500 000	4.19
	16 cooperation	19 500 000	2.68
2B: Generational renewal 0.67 % of holdings with RDP supported business development plan/investments for young farmers	06 farm / business development	22 000 000	3.03
<b>Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management</b>		<b>94 025 928</b>	<b>12.93</b>
3A: Improving competitiveness of primary producers 4.17 % of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations	03 quality schemes	19 425 928	2.67
	04 investments	20 600 000	2.83
	09 producer groups / organisations	2 000 000	0.28
	14 animal welfare	28 000 000	3.85
	16 cooperation	7 000 000	0.96
3B: Farm risk prevention and management 0.11% of farms participating in risk management schemes	05 restoring agric. potential	17 000 000	2.34

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

<b>Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry<sup>3</sup></b>		<b>223 901 503</b>	<b>30.79</b>
4A Biodiversity 14.52 % of agricultural land under contracts 0.99 % of forest/other wooded area under contracts	01 knowledge	2 000 000	0.28
	04 investments	6 000 000	0.83
4B Water management 13.86 % of agricultural land under contracts	07 basic services	1 700 000	0.23
	08 forest	5 000 000	0.69
	10 AEC	27 800 000	3.82
4C Soil erosion and management 13.86 % of agricultural land under contracts 0.15 % of forestry land under contracts	11 organic farming	108 000 000	14.85
	12 NAT 2000 and WFD	4 500 000	0.62
	13 ANC	63 000 000	8.66
	15 Forest - env	1 000 000	0.14
	16 cooperation	4 901 503	0.67
<b>Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors</b>		<b>53 000 000</b>	<b>7.29</b>
5A Water efficiency 22.21 % percentage of irrigated land switching to more efficient irrigation system	04 investments	13 000 000	1.79
5B Energy efficiency Total investment for energy efficiency € 6 800 000	04 investments	3 400 000	0.47
5C Renewable energy Total investment in renewable energy production € 15 000 000	08 Forest	6 000 000	0.83
	16 cooperation	2 000 000	0.28
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	3.58
	16 Cooperation	2 600 000	0.36

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

<b>Priority 6: Social inclusion, poverty reduction and economic development in rural areas</b>		<b>110 610 000</b>	<b>15.21</b>
6A Diversification, SMEs and job creation 28 Jobs created in supported projects	01 Knowledge	450 000	0.06
	M06 Farm / business development	5 600 000	0.77
	M07 Basic services	6 300 000	0.87
	16 Cooperation	700 000	0.10
6B Fostering local development 44.35 % of rural population covered by local development strategies 85 jobs created (via LEADER)	19 LEADER and CLLD	75 560 000	10.39
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	3.03
<b>Technical Assistance</b>		15 000 000	2.06
<b>Total public expenditure €</b>		<b>727 212 431</b>	<b>100</b>