



Factsheet on 2014-2020 Rural Development Programme for Umbria

The Rural Development Programme (RDP) for Umbria was formally adopted by the European Commission on 12 June 2015, outlining Umbria's priorities for using the € 877 million of public money that is available for the 7-year period 2014-2020 (€ 378 million from the EU budget and € 499 million of national co-funding).

Umbria'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. Almost 42% of the agricultural land is expected to come under management contracts supporting better water management, nearly 29% of the agricultural land will be under contracts to improve soil management and over 13% of the agricultural land and over 5% of forestry area will come under management contracts supporting biodiversity. To improve the competitiveness of farmers, 1 200 farms will receive support to restructure or modernise their farms and 400 young farmers will be granted business start-up aid. In this regard, particular emphasis is put on innovation when selecting operations and 11% of RDP public expenditure is earmarked by actions that foster innovation, cooperation and the development of the knowledge base. Umbria's RDP will contribute to social inclusion and economic development in rural areas by bringing improved services to 34% of the rural population and new or improved broadband infrastructure to 90% of the rural population in rural areas.

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 Umbria 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.

Umbria, the "green heart of Italy", is a region of central Italy, classified as a more developed region. It covers a total area of 8 450 km² of which agricultural land covers 51.3% and forestry 46%. There are about 900 000 inhabitants in the region which

translates into a population density of roughly 105 inhabitants per km². The region is entirely classified as rural area, 2/3 of which is currently classified as Less Favoured Areas (mountain area and area with natural constraints in equal share). The negative population growth rate and a high rate of elderly population (23.8%) are partly offset by immigration.

The average size of the more than 36 000 Umbrian farms is 9 hectares and 43% of the farms are below 2 hectares. The regional Utilised Agricultural Area is around 327 000 hectares. Farmers mainly produce cereals, wine, olive oil, tobacco, and milk for cheese production. Production of olive oil and wine has decreased in the last decade. The vegetable and fruit sector is not yet well developed and is characterised by small producers. The food industry is of strategic importance to the region as it employs 7% of the working population. Half of the energy produced by the region is from renewable sources, but the region is lagging behind in terms of energy production from biomass.

Umbria is characterised by an outstanding naturalistic heritage with over 390 000 hectares of forestry. There are 102 Natura 2000 sites whose plans have all been completed. The main environmental challenges to be tackled concern the quality of surface and ground water, soil erosion and the increase in forest fires.

2. HOW UMBRIA'S RDP WILL ADDRESS THESE CHALLENGES

In addressing the challenges, Umbria'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 investing quite heavily in actions related to this priority. 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 4 400 places will be made available in training courses.

An important element is innovation: 120 projects will be supported to strengthen the link between agriculture, food and forestry sectors and research and innovation, 20 of which will be under the European Innovation Partnership.

Competitiveness of agri sector and sustainable forestry

Given the ageing farmer population and the small size of agricultural holdings in the region, the RDP will support the start-up of 400 young farmers and investments and modernisation in 1 200 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.

The RDP will also support the diversification of farms in order to create new income opportunities, for instance through the development of holiday, social and school farms through an allocated budget of € 8 million in public expenditure and with an expected total private and public investment of € 17.5 million.

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

Under this priority, Umbria will support the promotion of quality products: the RDP is expected to support 300 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 of the regional products and ensure a higher added value to the farmer's production resulting in a higher income for the farmer. Cooperation and chain projects will also be financed for this purpose.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Under this priority, Umbria will focus on environment-friendly farm investments, with a particular emphasis on quality of water: 42 % of agricultural land will be under contracts to improve water management. The problem of water erosion will be tackled by placing almost 29% of the agricultural land under management contracts combating soil erosion. Moreover around 13% of agricultural land and around 5% of forest will be under management contracts supporting biodiversity.

Around 28% 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 Natura 2000 management and suffering disadvantages resulting from the implementation of the Water Framework Directive. Over 22 000 hectares of farmland will receive support to either convert or maintain organic farming.

Resource efficiency and climate

Under this priority, RDP Umbria 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 to reduction of greenhouse gas (GHG) emission through the implementation of specific agro-environment and climate measures. 4.5% of farmland will come under management contracts targeting reduction of GHG and/or ammonia emissions and 2.5% of farm and forest land under management contracts contributing to carbon sequestration or conservation. The region also expects investments of around € 3.75 million of public and private funds in renewable energy production.

Social inclusion and local development in rural areas

RDP Umbria pays particular attention to social inclusion and economic development in rural areas, which are promoted through the support to 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 LEADER Local Action Groups and will cover over 80% of the rural population.

Thanks to the operations programmed under this priority, 100 additional jobs will be created, 34% of the rural population will benefit from improved services (including, for example, water supply for domestic use in areas with less than 3 000 inhabitants) and 90% of 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:

- € 203 million allocated to measure 4 (Investments in physical assets)
- € 141.5 million allocated to measure 10 (Agro-environment-climate)
- € 103 million allocated to measure 7 (Basic services in rural areas)
- € 80 million allocated to measure 8 (Forestry)

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

Target	Measure	€ Total public	%
Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas¹			
1A: Fostering innovation, cooperation, knowledge base 11.17 % of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) 120 cooperation projects	16 cooperation		
1C: Training 4 390 participants trained	01 knowledge		
Priority 2: Farm viability, competitiveness and sustainable forest management		218 028 000	24.87%
2A: Economic performance, restructuring & modernisation 3.31 % of holdings with RDP support	01 knowledge	695 000	0.08%
	02 advisory	9 000 000	1.03%
	04 investments	145 200 000	16.56%
	06 farm / business development	8 000 000	0.91%
	08 forest	13 400 000	1.53%
	16 cooperation	8 800 000	1.00%
2B: Generational renewal 1.10 % of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	1 533 000	0.17%
	02 advisory	2 250 000	0.26%
	06 farm / business development	20 000 000	2.28%
	16 cooperation	9 150 000	1.04%
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		103 405 000	11.80%
3A: Improving competitiveness of primary producers 1.24 % of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations 135 000 000 € total investment for the processing/marketing and/or development of agricultural products	01 knowledge	1 055 000	0.12%
	02 advisory	1 250 000	0.14%
	03 quality schemes	7 200 000	0.82%
	04 investments	54 000 000	6.16%
	14 animal welfare	5 400 000	0.62%
	16 cooperation	11 950 000	1.36%
3B: Farm risk prevention and management 0.06% of farms participating in risk management schemes	05 restoring agric. potential	18 000 000	2.05%
	16 cooperation	4 550 000	0.52%

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		249 010 000	28.40%
4A Biodiversity 13.03 % of agricultural land under contracts 5.12 % of forest/other wooded area under contracts	01 knowledge	1 710 000	0.20%
	02 advisory	1 700 000	0.19%
	04 investments	4 000 000	0.46%
4B Water management 41.51 % of agricultural land under contracts	10 AEC	136 500 000	15.57%
	11 organic farming	34 100 000	3.89%
	12 NAT-WFD	8 000 000	0.91%
	13 ANC	63 000 000	7.19%
4C Soil erosion and management 28.94 % of agricultural land under contracts			
Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors		96 000 000	10.95%
5C Renewable energy Total investment in renewable energy production: € 3 750 000.00	01 knowledge	850 000	0.10%
	02 advisory	1 150 000	0.13%
	07 basic services	3 000 000	0.34%
	16 cooperation	7 800 000	0.89%
5D Reducing GHG and NH3 0.00 % of LU (Live-stock Unit) concerned by investments in live-stock management in view of reducing GHG (Green House Gas) and/or ammonia emissions 4.44 % of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions	01 knowledge	1 050 000	0.12%
	02 advisory	750 000	0.09%
	10 AEC	5 000 000	0.57%
	16 cooperation	1 000 000	0.11%
5E Carbon conservation and sequestration 2.54 % of agricultural and forest land under management contracts contributing to carbon sequestration or conservation	01 knowledge	650 000	0.07%
	02 advisory	750 000	0.09%
	08 Forests	67 000 000	7.64%
	15 Forest-environm.	5 000 000	0.57%
	16 cooperation	2 000 000	0.23%
Priority 6: Social inclusion, poverty reduction and economic development in rural areas		183 913 354	20.98%
6A Diversification, creation of small enterprises and jobs 50 jobs created in supported projects	01 knowledge	1 100 000	0.13%
	02 advisory	800 000	0.09%
	06 farm / business development	7 000 000	0.80%
	16 cooperation	9 750 000	1.11%

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

6B Fostering local development <u>80.11 %</u> rural population under local development strategies 33.85 % rural population with improved services/infrastructure <u>50 jobs</u> created (via LEADER)	01 knowledge	900 000	0.10%
	02 advisory	1 200 000	0.14%
	07 basic services	63 500 000	7.24%
	16 cooperation	8 750 000	1.00%
	19 LEADER and CLLD	48 600 000	5.54%
6C Access to and quality of ICT 90.27 % of rural population benefiting from new or improved services/infrastructures (ICT)	01 knowledge	757 000	0.09%
	02 advisory	450 000	0.05%
	07 basic services	36 556 354	4.17%
	16 cooperation	4 550 000	0.52%
Technical Assistance		26 294 851	3%
Total public expenditure €		876 651 205	100%